

Exhibit J-11



Certified Pre-Owned
by BMW
Center Operations Manual



March 2013

Certified Pre-Owned
BMW Center
Operations Manual

bmwusa.com/cpo



The Ultimate
Driving Machine®

Center Operations Manual

Program Operating Guidelines

Introduction

Thank you for your participation in the Certified Pre-Owned BMW Vehicle Program. The Certified Pre-Owned BMW Vehicle Program ("CPO") is more than just another program from BMW. It represents a continuing partnership between BMW of North America, LLC ("BMW NA") and the participating Certified Pre-Owned BMW centers.

The program offers significant new sales opportunities for authorized BMW centers to capitalize on the consistent demand for quality pre-owned luxury vehicles that are covered by a comprehensive, factory-backed Protection Plan when the applicable BMW New Vehicle/SAV Limited Warranty expires.

Although the Certified Pre-Owned BMW Limited Warranty is comprehensive, it is not an extension of the original 4 year/50,000 mile BMW New Vehicle/SAV Limited Warranty.

The Certified Pre-Owned BMW Limited Warranty takes over when the BMW New Vehicle Limited Warranty expires, and the coverage it provides is somewhat different from the new vehicle warranty.

BMW Center Responsibilities

It is your responsibility to ensure that each Certified Pre-Owned BMW is properly and thoroughly inspected and conforms to BMW NA's standards and guidelines for mechanical condition and cosmetic appearance (**Reference: CPO Vehicle Inspection Guidelines and the CPO Vehicle Inspection Checklist**).

Note that to protect the integrity of this Program and the Certified Pre-Owned BMW brand, BMW NA reserves the right to inspect any vehicle, service records, sales records, and parts replaced under the terms of this plan.

It is your responsibility to ensure that every vehicle is correctly enrolled in the BMW NA Pre-Owned Inventory System ("POIS"), as either a Certified Pre-Owned BMW, or a Used BMW. In the case of a vehicle reported as Certified Pre-Owned in error, it will be the complete responsibility of the Center to recall and Certify the vehicle. This will be an After-The-Fact ("ATF") enrollment, accompanied by an ATF fee of \$350 in addition to the Certification fee. Absolutely no costs associated with the ATF enrollment and Certification may be charged to the Customer. All costs, including temporary BMW transportation, if needed, are the responsibility of the Center.

Vehicles not initially meeting the CPO Program requirements must be brought into compliance before the vehicle can be represented, advertised or sold as a "Certified Pre-Owned BMW."

(**Reference: CPO Inspection/Certification – Reconditioning**). Vehicles not brought up to "Certified" standards must be deleted from the CPO Program and either changed to Used in POIS if you intend to retail the vehicle, or removed/deleted from POIS if wholesaled. Any BMW sold to any entity or any individual other than the retail end user does not get reported as a retail delivery. This applies to CPO and Non-CPO vehicles. There are no exceptions.

Center Operations Manual

Program Operating Guidelines

Program Operating Guidelines

TABLE OF CONTENTS

Overview	2
Important CPO Program - Operating Guideline Reminders	2
What's New Since the Previous Manual	2
The Program Defined	3
Program Integrity	3
Participation and Operating Guidelines	4
Center Participation Agreement	4
Best Practices	4
Vehicle Qualification Criteria.....	5
The Certification Process	6
8 Steps to CPO Program Compliance	7
Vehicles Which Fail	12
Point-of-Sale and Program Support Materials	13
The Sales Process	13-17
Administration Web Page	14
Accounting for the sale of a Certified Pre-Owned BMW	18
Disclosure Notice	19
Wholesaling Certified Vehicles	19
Reselling Certified Vehicles	19-21
Prohibited Practices	21
Non-Compliance with Program	22
Policy with Respect to Suspension or Termination	24
CPO - Transferability	24
CPO - Cancellations and Refunds	25

Center Operations Manual

Program Operating Guidelines

Overview

Research shows that used vehicle buyers overwhelmingly prefer purchasing “certified” pre-owned cars and trucks sold by new-vehicle retailers. BMW’s goal is to satisfy this demand with a premium class of pre-owned BMW passenger cars and SAV/light trucks, (collectively referred to hereinafter “vehicles”). The Certified Pre-Owned BMW Vehicle Program provides the tools necessary for centers to expand their pre-owned vehicle business and to generate additional revenue to their Service and Parts operations.

Operating Guidelines

This document has been developed to serve as the central reference source for BMW centers participating in the Certified Pre-Owned BMW Vehicle Program (The Program). This book spells out the Program’s day-to-day operating guidelines and requirements focusing on:

- The Certification process.
- The processing of claims under the Certified Pre-Owned BMW Limited Warranty.

What’s New – 2013

Return to the Maintenance Tables from early 2012, including the PuMA case provision and protocol as defined by the vehicle maintenance intervals as applicable. Please see pages 28 & 29.

The Limited Warranty Guidelines section of the BMW Certified Pre-Owned Center Operations Manual has been updated to further clarify the program’s coverage.

Center Operations Manual

Program Operating Guidelines

Operations Guidelines

Inspection Guidelines

Warranty Guidelines

Forms

Program Operating Guidelines

1. The Certified Pre-Owned BMW Vehicle Program Defined

BMW of North America, LLC (BMW NA) is committed to ensuring the continued growth and success of the Certified Pre-Owned BMW Vehicle Program (CPO). Since the Program's inception, we have listened to suggestions from centers, making numerous program improvements in response to this feedback. Working closely with BMW Financial Services as well as the various departments within BMW NA, we continue to make refinements to the BMW CPO Program.

The key selling feature of the Certified Pre-Owned BMW Vehicle Program is the peace of mind that it provides to our customers. This peace of mind is achieved by ensuring that:

- Each Certified Pre-Owned BMW has passed a rigorous inspection, quality assurance and Certification process.
- Upon successful completion of the inspection, reconditioning and CPO Activation (via proper retail processing) each Certified Pre-Owned BMW carries a Protection Plan that provides coverage for up to 2 years or 50,000 miles (whichever occurs first) that is transferable from owner to owner. The Protection Plan is in addition to whatever time or mileage may be remaining on the applicable original BMW New-Vehicle Limited Warranty or New-SAV Limited Warranty of 4 years or 50,000 miles (whichever occurs first) from the original in-service date.

The Certified Pre-Owned BMW Protection Plan contains two distinct components:

1.1 The first element is the Certified Pre-Owned BMW Limited Warranty.

This comprehensive warranty is a "named exclusion" warranty, defined by those items which are not covered (e.g., wear and tear items, glass, moldings). This provides better coverage and makes it easier for you to present the warranty to the customer.

1.2 The second element in the Protection Plan is BMW Roadside Assistance.

Each Certified Pre-Owned BMW comes with the same Roadside Assistance benefits provided to BMW new vehicle clients.

Coverage: Certified Pre-Owned BMWs - 6 years/unlimited miles from the original in-service date.

2. Operating Guidelines

2.1 Commitment to Program Integrity

The integrity of the Certified Pre-Owned BMW brand requires that all Certified Pre-Owned BMWs be correctly enrolled in the Program, carefully inspected with all deficiencies corrected, and properly presented to the customer. This ensures that all of our Certified Pre-Owned customers will receive the highest level of care and premium treatment which they have a right to expect from BMW.

The guidelines, criteria, and processes outlined in this document will help to establish and maintain the soundness of the Certified Pre-Owned BMW brand. Centers participating in the Certified Pre-Owned BMW Vehicle Program are required to implement and follow these operating guidelines. Failure to adhere to the procedures listed here may result in suspension or termination of a center's right to participate in the Certified Pre-Owned BMW Vehicle Program.

Center Operations Manual

Program Operating Guidelines

3. Participation and Operating Guidelines

3.1 Center Participation Agreement

Centers seeking to participate in the Certified Pre-Owned BMW Vehicle Program must first sign a Center Participation Agreement and meet the following additional criteria:

- 3.1.1 Center agrees to adhere to the terms of the Program and to all policies, procedures and guidelines established and updated from time to time by BMW NA and BMW FS for the Program, including (but not limited to) the Center Operations Manual, Service Information Bulletins, BMW Sales & Marketing Bulletins, BMW FS Bulletins, BMW Best Practices, and BMW's CORA standards.
- 3.1.2 Center must currently be utilizing and meeting all requirements of the BMW Aftersales Mobility Program (AMP) to manage their Service Loaner fleet.
- 3.1.3 Center management must make a full commitment to actively monitor and control costs related to this Program as outlined in this Center Operations Manual.

3.2 Certified Pre-Owned BMW Vehicle Program Best Practices

Best Practices are designed both to help the centers capitalize on the flourishing luxury pre-owned market and to ensure that they deliver a consistently high level of consumer satisfaction. It is in the best interests of all BMW centers participating in the Certified Pre-Owned BMW Vehicle Program to implement and actively adhere to Best Practices as follows:

Certified Pre-Owned BMW Vehicle Program Best Practices

1. The BMW center shall have an established system to ensure that vehicles are inspected and reconditioned in accordance with Vehicle Inspection Guidelines and Standards.
2. The BMW center shall maintain a distinctive exterior display with signage that distinguishes and highlights the exclusive nature of pre-owned BMWs (both Certified and non-Certified) from other brands.
3. The BMW center shall have an established system and follow-up process to ensure that all the required elements of the Certified Pre-Owned BMW Vehicle Program are properly implemented.
4. The BMW center shall have an established system to ensure a consistently high level of customer satisfaction in the delivery process.
5. The BMW center shall use correct accounting procedures for recording sales and associated costs for pre-owned BMWs (both Certified and non-Certified) on its financial statement.
6. The BMW center shall correctly enroll in POIS and report (RDR through DCSnet) unit sales of pre-owned BMWs (both Certified Pre-Owned and non-Certified) on an accurate and timely basis.
7. The BMW center shall have systems and/or processes in place to take full advantage of the Certified Pre-Owned BMW sales leads provided by BMW NA.
8. The BMW center shall properly merchandise the Certified Pre-Owned BMW Vehicle Program through the use of brochures, posters and other point-of-sale materials supplied by BMW NA specifically for the purpose of marketing Certified Pre-Owned BMWs.
9. The BMW center shall promote current tactical CPO Special Offers on its web site, either on the landing page or easily accessible within the CPO-specific search function.
10. Have the customer and Client Advisor or Pre-Owned Manager sign and date the CARFAX or AutoCheck Vehicle History Report
11. Have the customer and Client Advisor or Pre-Owned Manager sign and date the appropriate disclosures, including but not limited to trade assist, damage, repair or accident.

3.3. Center Operating Requirements Addendum (CORA)

The BMW CORA standards have been created to ensure consistent representation of the BMW marque in every center across the country, while allowing the centers flexibility so they can adapt to the dynamic nature of the automotive industry. Specific requirements have been developed for the BMW center's pre-owned operations, and these must be met by all centers participating in the CPO Program.

Center Operations Manual

Program Operating Guidelines

3.4. Unauthorized Sales Outlets

Only those specific locations licensed by your state and approved on the BMW NA Center Agreement can display, represent and offer products associated with the Program for sale. Centers that violate this policy will lose the right to sell Certified Pre-Owned BMW vehicles. No Certified Pre-Owned BMW vehicles may be sold from a location unless that location is specifically authorized to offer Certified Pre-Owned BMWs for sale under the terms of the Center Agreement.

Centers that support the efforts of independent used-vehicle operators by supplying branded point-of-sale materials to them to initiate Certified Pre-Owned BMW vehicle sales will also jeopardize their ability to participate in the Certified Pre-Owned BMW Vehicle Program.

4. Vehicle Qualification Criteria

4.1 Vehicle criteria for enrollment in the Certified Pre-Owned BMW Vehicle Program:

- 4.1.1 Vehicle may not exceed 60 months from the original in-service date and must have 60,000 miles or less on the odometer. (Applies to 1st time enrollment)
- 4.1.2 Vehicle must be owned by the enrolling center prior to and throughout the enrollment, inspection, reconditioning, inventory, sales and delivery process of the Program. Offering a consignment vehicle for sale as a Certified Pre-Owned BMW is specifically prohibited. This includes "lease to retail, lease to loan, flip / CLQ, pass through" transactions whereby a customer intends to purchase their off-lease BMW as CPO.
- 4.1.3 Vehicle must be under the enrolling center's care, custody, and control throughout the enrollment, inspection, reconditioning, inventory, sales and delivery process of the Program.
- 4.1.4 Vehicle must have an accompanying CARFAX or Experian AutoCheck Vehicle History Report which reflects compliance with CPO enrollment standards.
- 4.1.5 Vehicle must be enrolled in the CPO Program using the Pre-Owned Inventory System (POIS) on DCSnet. Note: Each vehicle must be enrolled in POIS before the vehicle is inspected and Certified.
- 4.1.6 Vehicle must meet all Certification requirements as defined by the Vehicle Inspection Guidelines and Standards and the Certification Inspection Checklist.

4.2 Vehicle criteria for disqualification from the Certified Pre-Owned BMW Vehicle Program:

- 4.2.1 Vehicles exceeding 60 months from the original in-service date and/or 60,000 accumulated miles (Applies to 1st time enrollment)
Limited enrollment exceptions may be considered. Vehicle enrollment exception review parameters: {Both must be satisfied}
 - 1. In-service: Candidate vehicle must be in-service 63 months or less and vehicle cannot exceed 65,000 miles
 - 2. Maintenance: Must be up to date with no overdue status in Maintenance history

If both conditions are met, Area Manager may approve the vehicle for CPO enrollment. Vehicle must then meet all standards and guidelines of the Program.

Note: A \$200 extended enrollment exception surcharge will be applied in addition to the applicable Program enrollment fee. Please reference Automotive Sales Bulletin # 40 U 08, dated August 4, 2008.
- 4.2.2 Vehicles in-service for less than 6 months or 6,000 miles, unless they are true used vehicles or former BMW NA Company Cars.
Note: Exception for AMP vehicles, as enrollment will be considered after 3 months* with no minimum mileage. *These will require a POIS Application. **Form p. 67**
- 4.2.3 Vehicles used for rental, commercial, racing, police or emergency purposes.
- 4.2.4 Training school vehicles are not allowed in the Program. Performance center vehicles used in timed events are not allowed in the Program
- 4.2.5 M cars which have exceeded the 1,200 mile required oil service by anything more than 1,200 additional miles. The correct BMW NA Running-In Service must have been completed and documented on DCS Warranty Vehicle Inquiry within the initial 2,400 miles. No exceptions can be made.
Note: There is no initial 1,200 Mile Running-In Service for X5 M and X6 M vehicles

Center Operations Manual

Program Operating Guidelines

Pending, Active and HyperActive M cars found to have missed the initial 2,400 maximum threshold for the required Running-In service will have CPO coverage cancelled upon re-enrollment in POIS. It is the responsibility of the Center inspection process to identify and report these to BMW NA.

- 4.2.6 Vehicles that have (or have been):
- a) Branded titles (e.g. flood, Lemon Law, salvaged, totaled, unibody, frame, etc.)
Note: Buy-backs are not eligible based on applicable state law, e.g., California
 - b) Flood damage (reported or otherwise)
 - c) Environmental damage (reported or otherwise)
 - d) Totaled (structural or constructive)
 - e) Salvaged (reported or otherwise)
 - f) Inconsistent or incomplete maintenance history (Refer to Vehicle Inspection Guideline and Standard-Maintenance)
 - g) Abused or neglected (**Refer to Vehicle Inspection Guideline and Standard-Vehicle Inspection Checklist Section 1: Vehicle Background Review**)
 - h) Unibody component replacement (**Refer to Vehicle Inspection Guideline and Standards-Body Evaluation**)
 - i) Vehicle Identification Number(s) altered, removed or illegible
 - j) Undocumented odometer, coding plug or instrument cluster alterations; disconnected, interrupted, limited or falsified actual mileage accumulation (**Refer to Vehicle Inspection Guideline and Standard Vehicle Background Review**)
 - k) Alterations from original factory specifications in any manner such as (but not limited to):
 - 1) Suspension modifications
 - 2) Chassis modifications
 - 3) Tire and wheel installations
 - 4) Non-BMW performance modifications
 - l) All BMW training vehicles – including STEP training vehicles
- 4.2.7 Vehicles built for Canadian market (Option Code 838 - CANADIAN VERSION)

4.3 Special Note on Modifications: (DINAN and "other")

Important: Modified vehicles are not eligible for enrollment in the CPO Program. Vehicles with modification(s) to the DME or any other component which could have a detrimental effect on the long-term operation or performance of the vehicle cannot be enrolled in the CPO Program **even if returned to original BMW factory operating specifications.**

DINAN

Pre-Owned Automotive Sales Bulletin "31-U-08" dated July 8, 2008 announced that DINAN modified vehicles will no longer be eligible for the Certified Pre-Owned BMW Vehicle Program, effective September 1, 2008. Note that CPO vehicles with DINAN modifications that were enrolled in the Program prior to the effective date will not be affected by this change.

Prior to September 1, 2008, certain vehicles that have received DINAN modifications may have been eligible for the Certified Pre-Owned BMW Vehicle Program. These vehicles were required to conform to all of the provisions of and be properly enrolled and registered in the DINAN Certified Pre-Owned Program.

Prior to September 1, 2008 the center was instructed to call (408) 779-8584 for enrollment consideration into the DINAN Certified Pre-Owned BMW Vehicle Program.



CAUTION!

Subsequent to September 1, 2008, DINAN modifications will be considered "Non-BMW performance modifications" and disqualify a vehicle for the CPO Program even if the modified components are removed.

Center Operations Manual

Program Operating Guidelines

Eight Steps to Certified Pre-Owned BMW Vehicle Program Compliance

Actions	Person/Date
1.	
Run and print out a Key Read to confirm the mileage.	____/____
Run a CARFAX or Experian AutoCheck Vehicle History Report to ensure the vehicle meets CPO enrollment standards.	____/____
Enter the vehicle into the BMW Pre-Owned Inventory System (POIS) by using DCSnet.	____/____
2.	
Confirm CPO entry by reviewing your Pre-Owned Inventory availability on DCSnet. The Pre-Owned Type should be CPO 72 MO/100K for all Pending, Active and HyperActive vehicles. If you have questions concerning CPO eligibility, call BMW NA at (201) 307-3752 or send your question via a scanned pdf to: cpo.enrollments@bmwna.com	____/____
3.	
Run and print out a DCSnet Warranty Vehicle Inquiry to review Maintenance history, check for open campaigns, service actions, damage disclosures, and verification of enrollment status. If Pending status is not indicated, stop processing the vehicle and contact your Sales management immediately. Note: Vehicles which were already Active or HyperActive will display accordingly if CPO status is selected. Active and HyperActive do not revert back to Pending.	____/____
Run and print out a Key Read to confirm the mileage and determine Maintenance items that are "due," "recommended," and "overdue," based on the model-dependent Condition Based Services (CBS) or Service Interval Indicator (SIA). Note that an "overdue" reading should prompt you to determine whether or not the vehicle meets CPO guidelines for Maintenance. Run and print out a second Key Read after the road test to document the accumulated road test mileage.	____/____
Open a Repair Order with the very first, separate line item that denotes "BMW Certification Inspection."	____/____
Inspect vehicle using current version of the CPO Vehicle Inspection Checklist. (Refer to the Inspection Guidelines section of the Center Operations Manual for complete details.)	____/____
Fill out CPO Vehicle Inspection Checklist completely <u>prior</u> to performing any reconditioning or repairs.	____/____
4.	
Open a separate line item on your Repair Order for each deficiency noted on the CPO Inspection Checklist. Note: CPO Program requires BMW trained Technician to document the actual CPO inspection time with the approved time control.	____/____
Recondition the vehicle by repairing each line item according to BMW approved repair standards utilizing BMW parts for all OEM required component repairs or replacements.	____/____
Attach all supporting reports such as: • Key Reader Data print outs • DCSnet Warranty Vehicle Inquiry • CARFAX or Experian AutoCheck Vehicle History Report • Sublet repair order(s) and invoice(s)	____/____
Review, approve, sign and date the CPO Inspection Checklist; Signatures and date required by inspecting BMW Technician, center Service Manager and center Pre-Owned Sales Manager.	____/____
File the CPO Inspection Checklist with the Repair Order and supporting reports.	____/____
Fill out, stamp, sign, and give The Statement of Certification to the Sales Department for presentation to the final retail customer.	____/____
< After this step, Certification is complete >	
5.	
Price the CPO vehicle on the Internet.	____/____
Run a CPO Monroney label insert.	____/____
Prepare the Federal Buyer's Guide (See Section 8, Pg. 15 of <i>Center Operations Guide</i> for details concerning Monroney and Web pricing.)	____/____
6.	
Apply all point-of-sale CPO Merchandising items. <input type="checkbox"/> CPO Monroney <input type="checkbox"/> CPO License Plate <input type="checkbox"/> CPO Static Cling Labels <input type="checkbox"/> Federal Buyers Guide Label	____/____
Position the CPO vehicle for sale	____/____
7.	
Prepare and present the following items to the customer at delivery: <input type="checkbox"/> Clean Vehicle Exterior <input type="checkbox"/> Clean Vehicle Interior <input type="checkbox"/> CARFAX or Experian AutoCheck Vehicle History Report <input type="checkbox"/> Statement of Certification <input type="checkbox"/> Keys (at least two masters) <input type="checkbox"/> All applicable Disclosures (Forms pgs 74-76) <input type="checkbox"/> Owner's Manual <input type="checkbox"/> Service and Warranty Information Booklet <input type="checkbox"/> Copy of CPO Inspection Checklist (Calif. customers mandatory)	____/____
8.	
Record and transmit retail sale to BMW via DCSnet to activate the CPO BMW Protection Plan	____/____

Operations Guidelines

Inspection Guidelines

Warranty Guidelines

Forms

Center Operations Manual

Program Operating Guidelines

5. The Certification Process

Once an eligible vehicle has been selected for enrollment in the Certified Pre-Owned BMW Vehicle Program, the Certification process is simple and straightforward. (**Form p. 78**)

5.1 Enter the vehicle into POIS.

To qualify for the Certified Pre-Owned Program, all vehicles, either first-time application or vehicles that already have ACTIVE or HYPERACTIVE CPO coverage, must be entered into your Pre-Owned Inventory System (POIS) through DCSnet. This system is located on the following path: CenterNet > DCSnet > Sales > Pre-Owned > Entry.

The POIS entry function consists of three (3) application screens.

Screen #1 — ENTRY: This screen is where you make your data entry. Only two (2) elements of vehicle information are required:

- The correct VIN (last seven) taken directly from the vehicle and verified with key reader
- The current mileage, taken directly from the vehicle and verified with key reader (Note: File the key reader printout in the vehicle sales jacket).

At this time you should also enter into the system:

- Your stock number
- A 'Monroney' price
- Designate your approved Sales location (For centers with multiple sales locations approved by BMW NA)

Click the NEXT button.

Screen #2 — VERIFY: This screen shows your BMW NA edited entries made in screen #1 including the model and color/interior in order to provide a visual reference for your entries. Please check to see that these are the models and colors you intend to enter into POIS. If different, you may have entered an incorrect VIN.

This VERIFY screen also shows the current BMW NA Pre-Owned programs that the vehicle(s) may be qualified to be entered into. Currently BMW NA offers two (2) Pre-Owned Programs:

- CPO 72 MO/100K or
- USED

The following choices are yours to make:

Choice A:

For vehicles that qualify for entry into POIS as Certified Pre-Owned (either first-time application or vehicles that have ACTIVE or HYPERACTIVE CPO coverage), a drop-down box will appear in the Pre-Owned Type field on this VERIFY screen.

If you intend to market and sell these vehicles as Certified, you must declare your intention by selecting the program: CPO 72 MO/100K

Choice B:

If you do not intend to market and sell these vehicles as Certified, you must declare your intention by selecting USED in the TYPE box. If you do not select a program, the Pre-Owned Type will automatically default to USED.



NOTE

If a vehicle entered into the POIS receives an error message instructing you to scan a POIS Application (**p. 67**) for CPO 72 MO/100K upgrade consideration, you must first save that entry as USED in POIS so that it will be there when the manual upgrade to CPO is processed.

Only you can enter (and remove) vehicles into your Pre-Owned Inventory; BMW NA cannot access your inventory.

BMW NA can only upgrade the Pre-Owned Type for qualified vehicles from USED to CPO 72 MO/100K upon receipt and verification of your written (i.e., scanned) request.

Notes:

- It is the Pre-Owned/Sales Manager's responsibility to confirm the POIS Pre-Owned Type selected is correct.
- If you receive a POIS enrollment rejection due to a pre-owned retail processed within the past 180 days, please refer to Bulletin V8-0611-14
- After you have made all program selections and changes, you must click the **SAVE** button.

Save

Center Operations Manual

Program Operating Guidelines

Screen #3 — CONFIRMATION: This screen confirms how your entries have been posted to your Pre-Owned Inventory. Click the Pre-Owned Inventory button to:

- View your Pre-Owned Inventory
- Change certain fields within your Pre-Owned Inventory
- Remove (delete) vehicles from your Pre-Owned Inventory
- Run DCSnet Warranty Vehicle Inquiries
- Print Monroney labels

5.2 Accounting for purchase and enrollment of a vehicle into the CPO Program

Record the used-vehicle purchase/trade-in into inventory. Example: A BMW center purchases a 3 Series for \$24,500 and decides to certify it.

Account	Description	Debit	Credit
1240A	Pre-Owned BMW – Certified Inv.	\$24,500	
8202	Cash in Bank		\$24,500

Alternatively, the "Notes Payable — Used Vehicles" account may be credited. Record the cost of the CPO enrollment fee into used-vehicle inventory (amount is billed to your BMW Parts account on the day the vehicle is reported retailed as Certified).

Account	Description	Debit	Credit
1240A	Pre-Owned BMW – Certified Inv.	\$1,260	
8331	Accrued Liabilities		\$1,260

5.3 Use DCSnet Warranty Vehicle Inquiry to verify CPO enrollment.

To ensure that the vehicle has been enrolled, a DCS Warranty Vehicle Inquiry needs to be run on the vehicle. To perform this, either click on the VIN as posted on your Pre-Owned Inventory or follow the procedure listed below:

5.3.1 Using the drop down menu on the left, select "Vehicle History" under the Service option. The Warranty Vehicle Inquiry screen will open.

5.3.2 Enter the VIN (the long form is the default, so leave the radio button there).

5.3.3 To check on more than one VIN, click the "+" button to add another VIN.



NOTE

If "NO" information appears, the vehicle is not enrolled in the Certified Pre-Owned BMW Vehicle Program.

What to look for with a DCSnet Warranty Vehicle Inquiry.

Field	Value	Meaning
"CPO 72 MO/100K MLS"	Pending	Enrolled in program but not retailed
"CPO 72 MO/100K MLS"	Active	Enrolled in program and retailed
"CPO 72 MO/100K MLS"	HyperActive	Vehicle is now in the CPO Coverage Period
"Expired"	Expired	CPO coverage has exceeded 6 yr or 100k limit

Center Operations Manual

Program Operating Guidelines



NOTE

Centers are responsible to ensure that vehicles enrolled in the Certified Pre-Owned BMW Vehicle Program and sold as BMW Certified Pre-Owned meet all eligibility requirements, enrollment and inspection standards. Any lack of vehicle comments on the BMW DCSnet Warranty Vehicle Inquiry or an absence of disqualifying criteria on the CARFAX or Experian AutoCheck Vehicle History Report (VHR) does not in and of itself constitute approval by BMW NA to represent a vehicle as eligible for Certification or as Certified. If information is found on one VHR and not the other, the most complete VHR must be disclosed and presented to the customer.

5.4 Vehicle Inspection Requirements

Every vehicle that a center has enrolled in the BMW Certified Pre-Owned Vehicle Program must then be inspected by a BMW trained Technician using the current version of the BMW CPO Vehicle Inspection Checklist. The Technician who performs this inspection must have a sufficient level of experience, product knowledge, and BMW training to make a proper evaluation of the vehicle's condition and to recommend any repairs needed for the vehicle to qualify for the Program.

5.5 Vehicle Inspection Procedure

- 5.5.1 Open a "BMW Certification Inspection" Repair Order to initiate the Certification process. Inspection time must be accurate and properly documented. With consideration given to age, mileage, Series, vehicle content, options, condition, rolling review and required road test, the "typical" CPO inspection time will be between 1.25 and 2.5 hours.
- 5.5.2 Next, run a DCS Warranty Vehicle Inquiry to check for Open Campaigns and verify Program enrollment status. There are five (5) CPO enrollment status categories:
 - a) PENDING = vehicle has been enrolled but not yet retailed as CPO
 - b) ACTIVE/HYPERACTIVE = Vehicle has been enrolled and previously retailed as CPO
 - c) EXPIRED = CPO coverage has exceeded the 6 yr/100k coverage limit
 - d) CANCELLED = CPO coverage eligibility has been discontinued
 - e) Blank = Never enrolled



NOTE

If the enrollment status is PENDING [for your center] or : ACTIVE/HYPERACTIVE [for your center by reviewing the status in your POIS] attach the DCS Warranty Vehicle Inquiry printout to the Repair Order and process the vehicle through the workshop.

Note: Please verify : ACTIVE/HYPERACTIVE enrollment in your POIS, entry will appear with green highlight.

For example:

<u>Chassis Nbr</u>	<u>Stock #</u>	<u>Year</u>	<u>Model</u>	<u>Mileage</u>	<u>Date Added</u>
C160238	T17701	2009	535i SEDAN	46,604	09/14/2012

If the enrollment status is : ACTIVE/HYPERACTIVE but not for your center after reviewing the status in your POIS; or EXPIRED; or CANCELLED; or BLANK, halt the Certification process and immediately notify your Sales Manager.

Center Operations Manual

Program Operating Guidelines

- 5.5.3 While initially inspecting the vehicle, “check off” only those items on the checklist that meet the CPO standard at the time of the inspection. Necessary repairs or replacements must be noted on a Repair Order for use during the reconditioning process. Note that upon completion of the Certification inspection and reconditioning, the Service Manager and Technician must both sign and date the CPO Vehicle Inspection Checklist to certify that the vehicle has been inspected and all apparent deficiencies have been corrected. The signature of the CPO Manager is also required.

5.5.4 Warranty claim guidelines – Certification Inspection Process

During the pre-owned Certification inspection process, only defects in materials or workmanship that are covered under the applicable BMW New-Vehicle Limited Warranty or New-SAV Limited Warranty (and which are verified/authorized by the Service Manager according to the BMW NA Warranty Policies and Procedures Manual) may be submitted under warranty. The defect and the repair performed to correct it must be explained clearly in the center comments. Other repairs or replacements (tires, etc.), which are not covered under the applicable BMW New-Vehicle Limited Warranty or New-SAV Limited Warranty, must be performed at the center's expense. The costs of these repairs should be applied to the center's “Used BMW Certified” inventory account. This is BMW NA's policy applying to pre-owned BMWs being processed for enrollment in the Certified Pre-Owned Program.

When performing the Certification inspection of a vehicle, the center must keep in mind that the vehicle involved is a pre-owned vehicle, not a new one. Accordingly, restoration of the vehicle to “like new” condition is not the objective of the Certification inspection process. Instead, the purpose is to address all safety-related concerns and conditions that are unusual in nature, given the particular age/mileage category of the specific vehicle being inspected.

Likewise with cosmetic items (paint, trim, upholstery), the age of the vehicle needs to be considered when deciding if an item must be repaired or replaced. Note also that damage or unusual wear and tear is the responsibility of the previous owner.

Excessive mileage or wear and tear must be taken into consideration during the appraisal and valuation of a potential trade-in, especially if the center anticipates enrolling the vehicle in the Certified Pre-Owned BMW Vehicle Program. Associated expense to address excess wear and tear is, therefore, the financial responsibility of the center's Pre-Owned Department and may not be submitted under warranty.

5.5.5 Completing the Certification Inspection process

After the inspection process is complete and all deficiencies corrected, the CPO Vehicle Inspection Checklist must be signed and dated by the CPO/Pre-Owned Sales Manager, Service Manager and the BMW Technician. The DCS Warranty Vehicle Inquiry and key reader printouts that were utilized to perform the inspection are required to be attached to the CPO Inspection Checklist.

The CPO Inspection Checklist, the DCS Warranty Vehicle Inquiry, the key reader printout(s), the CARFAX or Experian AutoCheck Vehicle History Report, sublet repair order(s) and invoice(s) are to be filed in the vehicle's Service file for future reference. A Statement of Certification is required to be completed and forwarded to the Sales Department for inclusion in the Sales File and subsequently presented to the customer at delivery.

Center Operations Manual

Program Operating Guidelines

5.6 Accounting for Reconditioning Costs for a CPO Vehicle

Account	Description	Debit	Credit
1240A	Pre-Owned BMW – Certified Inv.	\$1,900	
1462	Internal Labor – BMW		\$800
1473	Internal Parts – BMW		\$1,100

Do not book the internal parts and labor immediately to the "Reconditioning Costs" account. This will mismatch revenues and expenses if the vehicle is not sold in the same accounting period and might also count retail-reconditioning costs on vehicles that may eventually be wholesaled.

6. Vehicles Which Fail to Meet Certification Requirements

It is the BMW center's responsibility to ensure that all Certified Pre-Owned BMWs conform to BMW NA's guidelines for body structure, mechanical condition and cosmetic appearance, as per the Vehicle Inspection Guidelines and Standards. Vehicles not initially meeting these requirements must be brought into compliance before the vehicle can be advertised, represented for sale, or sold as a "Certified Pre-Owned BMW", as per the Center Participation Agreement.

Costs related to the inspection and reconditioning processes are the responsibility of the center (center's internal cost). If a vehicle cannot be brought into compliance for any reason — e.g., failure to meet the requirements in the "Road Test" or in the "Body/Mechanical" sections of the Inspection Checklist — the vehicle may not be advertised, represented or sold as a Certified Pre-Owned BMW.

6.1 Vehicles ineligible for the CPO Program

6.1.1 During the inspection process, any vehicles found to be ineligible for the Certified Program based on the current BMW NA eligibility criteria must be:

- Changed in your Pre-Owned Inventory from Pre-Owned Type CPO 72 MO/100K, to USED. If wholesaled, removed (deleted) from your Pre-Owned Inventory by using the on-line DCSnet Pre-Owned Inventory Removal (deletion) function.
- Updated with BMW NA immediately by use of the Non-CPO Compliant Notification (**Form page 77**). This will enable BMW to add language in the comments section of the DCS Warranty Vehicle Inquiry in DCSnet to ensure that the vehicle never makes it into the CPO Program. Scan to cpo.enrollments@bmwna.com

6.1.2 For vehicles where the CPO coverage is already ACTIVE and the vehicle no longer conforms to CPO eligibility requirements, the entry must be:

- Changed in your Pre-Owned Inventory from Pre-Owned Type CPO 72 MO/100K, to USED.
- Updated with BMW NA - CPO coverage must be cancelled by completing a Cancellation Request (**Form page 68**), save as a pdf, scan and e-mail to:
cpo.enrollments@bmwna.com

6.1.3 For vehicles that no longer conform to CPO eligibility requirements and are traded to another BMW center, wholesaled or sold at Auction, an ACTIVE vehicle must be:

- Removed (deleted) from your Pre-Owned Inventory by using the on-line DCSnet Pre-Owned Inventory Removal (deletion) function.
- Updated with BMW NA - CPO coverage must be cancelled by completing a Cancellation Request (**Form page 68**), save as a pdf, scan and e-mail to:
cpo.enrollments@bmwna.com

Vehicles which are removed, deleted, wholesaled, swapped, traded, or in any other way sold or transferred out of dealer possession or inventory, to anyone other than the actual retail end user, regardless of Program eligibility or Pre-Owned status, are NOT to be reported as retail deliveries.

CPO vehicles may not be sold to rental companies. The CPO program is designed for a retail end-user, not for use on vehicles which will be used for commercial purposes.

Center Operations Manual

Program Operating Guidelines

- 6.1.4 For vehicles with Active or HyperActive CPO coverage: If the expense to recondition the vehicle to CPO standards may drive the total cost in excess of the vehicle's market value, and the center would like to retail the vehicle with the remaining CPO coverage, the entry must be:

- Changed in your Pre-Owned Inventory from the Pre-Owned Type from CPO 72 MO/100K to USED or if wholesaled, Removed (deleted) from your Pre-Owned Inventory by using the on-line DCSnet Pre-Owned Inventory Removal (deletion) function.



NOTE

Already ACTIVE or HYPERACTIVE CPO vehicles that are represented as USED and retailed as USED are not eligible for BMW CPO sales credit or CPO support programs offered by BMW NA and BMW FS. **Customers of already Active or HyperActive CPO vehicles represented as Used, i.e., not re-Certified, will not receive a CPO Welcome Kit.**

7. Point-of-Sale and Program Support Materials



NOTE

Certified Pre-Owned BMWs represent the finest Pre-Owned BMWs on the market. As such, they must be viewed as an extension of the BMW marque, not simply as "used vehicles." The purchaser of a Certified Pre-Owned BMW deserves and must receive the same high level of respect and customer care as the purchaser of a new BMW.

The following elements are available at no cost* to your center and should always be used to support the presentation and sale of Certified Pre-Owned BMWs:

- 7.1 Sample Consumer Information Statement: A duplicate of what the CPO customer will receive in their CPO Welcome Kit. It explains and details the coverage in the BMW CPO Protection Plan. This piece is to be used only in the center; it is not to be given to the customer.
- 7.2 Statement of Certification: A certificate indicating successful completion of the Certification and reconditioning process, which is to be completed by the Client Advisor, stamped with the BMW center's stamp, and given to the customer at delivery.
- 7.3 Certified Pre-Owned BMW Monroney Label Re-usable Pocket Cling*: Please refer to **Pre-Owned Marketing Bulletin V-9-1209-37 RVSD** for details on the newly designed Monroneys which will showcase your vehicle and the features / benefits of the CPO Program.
- 7.4 Windshield Clings: "New look" CPO and Non-CPO - Clearly identify the vehicle pre-owned type and model year.



Certified Pre-Owned
by BMW

2008

BMW Pre-Owned

2008

Center Operations Manual

Program Operating Guidelines

- 7.5 CPO Display License Plates: "New look" Inserts for CPO and Non-CPO - Clearly identifies the vehicle pre-owned type.



- 7.6 CPO Vehicle Inspection Checklist
Your service department will need a good supply of this form as it is a requirement for the certification process.
- 7.7 CPO BMW Vehicle Program Full Line Brochure
This customer hand-out tells the complete story of Certified Pre-Owned Vehicle Program and should be used as a takeaway for a prospective customer.
- 7.8 Tri-Fold Protection Plan Brochure
A key sales tool, explains provisions and coverage available under the Certified Pre-Owned BMW Protection Program; another takeaway for a prospective CPO customer.
- 7.9 CPO Pocket Folder
This 8 1/2 by 11 folder is designed to be given to your CPO customer during delivery to hold all CPO Point-of-Sale and center business office delivery paperwork.
- 7.10 CPO Point of Sale Kit
This is a quality CPO folder designed hold the delivery paperwork generated by your Business Office, and the CPO paperwork you provide the customer at the time of delivery. When you order the CPO Point of Sale Kit, note that each folder includes an assembly of these CPO Point of Sale items:
- CPO Pocket Folder
 - CPO BMW Vehicle Program Full Line Brochure
 - Tri-Fold Protection Plan Brochure

For a complete listing of the CPO merchandising materials that are available, go to <http://www.bmwcenternet.com/> and use the following path: BMW → Marketing Portal → Advertising/Marketing Tools → Marketing Materials → Certified Pre-Owned → BMW Center Materials. Questions on how to use this web site should be addressed to your BMW Area Team.

- 7.11 Virtual Center: If you provide a Web Price for your CPO units in POIS, will they automatically upload for viewing via www.bmwusa.com/cpo (please read on for more details).



CAUTION!

Under no circumstances should a vehicle be: 1) processed by the center as Certified, 2) represented to a customer for sale as Certified, or 3) sold as Certified until the center has confirmed enrollment in the Program (through a DCS Warranty Vehicle Inquiry). BMW centers are specifically prohibited from Certifying a pre-owned vehicle After-the-Fact. A center that offers a non-Certified vehicle for sale as a Certified vehicle is guilty of misrepresentation and may be subject to suspension or possible termination from participation in the Certified Pre-Owned BMW Vehicle Program.

After-the-Fact enrollments are expressly prohibited as explained in Section 12.2 and Section 13.1.6 of this manual. ATF situations will be reviewed by BMW NA with sole authorization to approve or decline on a case by case basis.

Center Operations Manual

Program Operating Guidelines

8. Operating Procedures

8.1 CPO Internet Presence

- 8.1.1 The Certified Pre-Owned section of the BMW Virtual Center is BMW of North America's Certified Pre-Owned BMW web site at (<http://www.bmwusa.com/cpo>). This Virtual Center contains consumer information about the Certified Pre-Owned BMW Vehicle Program. It also provides a search capability that lets customers enter some basic criteria and search for the Certified Pre-Owned BMW of their choice.

If a customer finds a vehicle that they like, they can click on a link to a brief form and send an electronic lead directly to the BMW center that owns the vehicle. These leads are sent via e-mail to the e-mail address specified by each center.

NOTE

Web consumers want immediate gratification. It is imperative that you follow up on every e-mail lead promptly. Your first automated response should be delivered within 15 minutes of lead receipt. It should thank the client for their inquiry and inform them that they will receive a personalized response within the hour. A response time of 24 hours is way too long. By that time, the customer will be buying somewhere else! Providing a phone number is essential to advance to having a direct conversation and setting an appointment.

8.2 The Pre-Owned Inventory Administration Page on DCSnet

All the system-related tasks associated with Pre-Owned Type CPO 72 MO/100K vehicles are now accessible through the DCSnet Pre-Owned Inventory function. The Pre-Owned Administration functions you can perform are:

- 8.2.1 "Monroney" Pocket Clings and Printing Labels for CPO PENDING and ACTIVE vehicles.

BMW NA has designed an all-new **reusable** Monroney label pocket cling (1/1 1/10) which will accept standard 8.5" x 11" paper stock as an insert. The Monroney cling lists the benefits of CPO. The center-printed insert format is designed to highlight your specific vehicle including; price; vehicle mileage; contact information for your center; coverage period for the Certified Pre-Owned BMW Protection Plan; vehicle-specific factory-installed options; and information on BMW Ultimate Service and BMW Assist. When you are logged onto the Pre-Owned Inventory System (POIS), you can print out these window pocket inserts directly from your local computer and laser printer. Just select the VIN(s), adjust the mileage if necessary, and enter or up-date the "Monroney" Price. Then select Print Label(s). Once completed the Monroney pocket with the vehicle specific insert should be affixed to the front passenger side glass of each vehicle in your Certified Pre-Owned BMW inventory.

Monroney Label Pockets: Initial allocations were shipped 12/2009 at no cost. Additional quantities are available via \$3.00 per unit. Part number: **09MONRONPKT**. **bmwcenternet.com > Menu > BMW > Marketing Portal > Advertising/Marketing Tools > Marketing Materials > Certified Pre-Owned**. Remember – these are reusable.

The BMW Certified Pre-Owned Monroney Label has been copyrighted and thus may not be altered, duplicated or printed in any method other than the BMW of North America Pre-Owned Inventory System Monroney print process.

Center Operations Manual

Program Operating Guidelines



8.2.2 Pricing CPO Vehicles

In order to get a certified vehicle in your POIS inventory onto bmwusa.com for customers to view, you must provide a valid Web price. **Note:** This function is to be performed through the POIS screen after the certification inspection process and reconditioning is complete and the vehicle meets all CPO program standards and guidelines. Once you have submitted and confirmed your Web price, the vehicle will be added to your Certified Pre-Owned BMW inventory on bmwusa.com the following morning.

8.2.3 Certified Pre-Owned Business Reports

Several important CPO reports — updated daily — can be found on CenterNet under Menu/BMW/Automotive Sales Portal/CPO:

- a) **CPO Retail Detail Report:** This report shows your current month's CPO RDRs by Series. This is a valuable report that helps you reconcile what has been RDR'd for the current month.
- b) **CPO Vehicle Sales Report:** This report provides YTD (thru Prior Month) CPO sales by Region. You can click on your Region and drill down to your Area and Center. This report is beneficial as it shows you how you stand YTD (through the previous sales month) for CPO sales versus other centers in your area.
- c) **Scheduled Maturities:** The Scheduled Maturities report available in both CenterNet and DCSnet, shows your scheduled BMW FS maturities by Series and month, for a rolling-12 month period. This report will allow you to better manage and balance your pre-owned inventory. Use it in conjunction with off-lease information from InfoBahn to manage your off-lease portfolio more effectively.
- d) **Pre-Owned Inventory System (POIS):** This link enables you to click right through to the Pre-Owned Inventory System (POIS). From here, you can see your pre-owned inventory, add, update or remove critical vehicle data, and review the Change Log or the Transaction Log.

For a detailed explanation concerning all of these reports and reporting features, please see Pre-Owned Sales Bulletin #17-U-05 dated September 21, 2005.

Center Operations Manual

Program Operating Guidelines

8.3 Customer presentation

To ensure that a customer who purchases a Certified Pre-Owned BMW understands the true value of their purchase, it is vitally important that the center present the vehicle to the customer with a full explanation of the Certified Pre-Owned BMW Vehicle Program's benefits, terms and conditions. There are several key steps in customer presentation for Certified Pre-Owned BMWs:

- 8.3.1 Explain the CPO coverage and benefits thoroughly; making sure that the customer understands the coverage limitations. Be sure to make it clear to the customer that there is a \$50 handling fee per CPO covered repair visit. Use the Protection Plan brochure developed for this purpose.
- 8.3.2 Present the customer with the Statement of Certification.
- 8.3.3 Present the following items to the customer at delivery:
 - a) Protection Plan summary pamphlet
 - b) Keys and applicable remotes: (Two master keys must be available at delivery)
 - c) Owner's Manual
 - d) Service and Warranty Information Booklet
 - e) Other: For example:
 - Some states may require that the purchasing customer is presented a copy of documentation related to the certification inspection and reconditioning process such as (but not limited to) the CPO Inspection Checklist and Repair Order.
 - BMW of North America requires the selling center provide the purchaser full disclosure (see **Section 9 Pre-Owned Vehicle Disclosure Notice**).



NOTE!

The Certification process is not complete until the sale is recorded via DCSnet. This part of the process is critical, because it will activate the Protection Plan and generate the mailing of the CPO Consumer Welcome Kit. This kit contains a welcome letter, the Owner's Roadside Assistance card, and a personalized Consumer Information Statement outlining the terms and conditions of the Certified Pre-Owned BMW Protection Plan.

Please use care and accuracy when entering this information in DCSnet; make sure that the information you are supplying is valid and correct. **It is imperative that the correct information relating to the vehicle, sale date, sale type (POIS status) and all customer information are absolutely confirmed prior to the center proceeding with the RDR.**

Once the CPO contract is Active for a vehicle, it cannot be cancelled. It is incumbent on the center to assign access to center POIS and retail reporting functions to center employees with the proper training. Retail sales reported in error will not have CPO contract cancelled. CPO enrollment fees cannot be credited back to a center.

This single transaction is the source of the data that will be used to create the mailing to the customer and to update BMW NA's customer databases. If the sale is not recorded properly, customer satisfaction will suffer because the Certified Pre-Owned Protection Plan will not be activated. Any repair claims submitted before the RDR is reported will be rejected.

Note also that failure to record the sale and complete the Certification process properly could result in funding delays for a vehicle if financed through BMW FS.

- 8.3.4 Explain to the customer that the center will activate the Protection Plan by reporting the sale of the vehicle to BMW NA. Make sure that the customer understands that the Consumer Information Statement booklet (personalized for the customer and for the customer's vehicle) should arrive within 30 days, along with the customer's new Owner's Roadside Assistance card.

Center Operations Manual

Program Operating Guidelines

- 8.3.5 Take the customer to the Service and Parts Departments and introduce them to the Service Manager, Parts Manager and their personal Service Advisor.

NOTES

Certified Pre-Owned BMWs are sold through the BMW Certified Pre-Owned program. This program is designed to provide customers with a high level of confidence in the quality and reliability of the vehicles they purchase. The program includes a comprehensive inspection and reconditioning process, as well as a 3-year/50,000-mile warranty. The program also includes a 24-hour roadside assistance service. The program is available for all BMW models and is a key component of the BMW Certified Pre-Owned program.

Certified Pre-Owned BMWs are sold through the BMW Certified Pre-Owned program. This program is designed to provide customers with a high level of confidence in the quality and reliability of the vehicles they purchase. The program includes a comprehensive inspection and reconditioning process, as well as a 3-year/50,000-mile warranty. The program also includes a 24-hour roadside assistance service. The program is available for all BMW models and is a key component of the BMW Certified Pre-Owned program.

8.3.6 Review the sale of a Certified Pre-Owned vehicle in the DCSnet system, including:

activating the Protection Plan.

- 8.4 Reporting the Sale of a Certified Pre-Owned BMW via DCSnet

IMPORTANT: If a system warning displays indicating the RDR intention does not match the Pre-Owned Type in POIS. DO NOT PROCEED without verifying accuracy. Should the system warning be bypassed and as a result CPO goes Active, center management is required to Certify the vehicle. In this situation, CPO fee and ATF fee will apply. If an issue with CPO eligibility is discovered, center may be required to repurchase the vehicle. Please see, Introduction pg. i, BMW Center Responsibilities.

Msg: CPO intention in RDR does not match POIS. Review RDR and POIS and correct accordingly.

03/27/2012 09:42:10
CPO Create
03/27/2012 09:42:10
Msg: CPO intention in RDR does not match POIS. Review RDR and POIS and correct accordingly.

How to Enter Certified Pre-Owned BMW retail in DCS:

1.	Sign-on to DCSnet using any PC with web access at your center.
2.	Under the Sales menu, drill down to Delivery and select Retail Reporting Pre-Owned.
3.	Follow the normal data entry steps associated with recording a vehicle sales delivery, including the
4.	For all Pre-Owned vehicles sales, select USED. The system will determine the sales type of CPO or USED based on the Pre-Owned Type you selected when posting the vehicle into your Pre-Owned Inventory System (POIS). All pre-owned BMWs, CPO and Non-CPO must first be entered in POIS before they can be retail.
5.	Click "Send." Your retail will be immediately confirmed. Should you receive an error message or have problems with entering this retail, please phone the DCS help desk at 1-800-877-8144). If you are uncertain whether the vehicle is Certified, perform a DCSnet Warranty Vehicle Inquiry, long form; Certification information is in the middle of the page. (See Section 5.5.2) CPO Retail Date must be after the Certification process is completed.

Center Operations Manual

Program Operating Guidelines

8.5 Accounting for the sale of a Certified Pre-Owned Vehicle

It is important that the sale of a Certified Pre-Owned BMW be properly accounted for so that BMW NA and BMW centers can accurately assess the profitability of this Program.

Example: A BMW center sells a 2010 328i xDrive for \$29,900.

Account	Description	Debit	Credit
1440A	Pre-Owned Retail – Certified BMW		\$29,900
8202	Cash in Bank	\$29,900	
1240A	Pre-Owned BMW – Certified Inv.		\$28,150
1640A	Pre-Owned BMW – Cost of Sale	\$26,250	
1641A	Pre-Owned BMW – Recon..	\$1,900	

Note: Other accounts (e.g., F&I, sales commissions, etc.) are likely to be affected.

8.5.1. Record Payment of the Program enrollment costs against monthly BMW Parts Statement (see also Section 5.2).

Account	Description	Debit	Credit
8331	Accrued Liabilities	\$1,260	
8202	Cash in Bank		\$1,260

9. Pre-Owned Vehicle Disclosure Notice

It is BMW NA policy that the selling center must provide the purchaser of any BMW, whether New, CPO or pre-owned — with full disclosure (see Forms page 76) of any known information about the vehicle. Strict adherence to this full disclosure policy is a sound business practice that will contribute to customer satisfaction. More importantly, full disclosure is a legal requirement in most states in the United States, as well as a BMW Group policy requirement.

This disclosure must include (but not be limited to) previous paint and body damage repairs, prior repurchase/trade assistance, or any other such relevant information available to the selling center. It should be made clear to the customer that this is a pre-owned vehicle and that no claim is made, implied or otherwise, that this vehicle is in "new condition."

10. Wholesaling (or Center Trades) of Certified Vehicles

Vehicles enrolled in the CPO Program with status of PENDING, ACTIVE or HYPERACTIVE, or posted in the Pre-Owned Inventory System as USED and then swapped, traded, wholesaled, center-traded, or auctioned rather than retailed must be removed by following the POIS removal (deletion) process available in the Pre-Owned Inventory System on DCSnet.

Center Operations Manual

Program Operating Guidelines

NOTE:

All Certified Pre-Owned BMW point-of-sale materials absolutely must be removed from any vehicle that is being wholesaled, traded to another BMW center or sent to auction. Only authorized BMW centers that have signed the Participation Agreement for the line makes they are authorized to sell under the Certified Pre-Owned BMW Vehicle Program are permitted to sell applicable or eligible Certified Pre-Owned BMWs.

11. Selling a vehicle that has previously been retailed as a Certified Pre-Owned BMW

A vehicle that has previously been sold as Certified that is taken in as a trade, returned off of a CPO lease, purchased at auction, or purchased from a wholesaler can be represented as either:

- A Certified Pre-Owned BMW, or
- Note: CPO enrollment fee will not be charged a 2nd time
- A Pre-Owned BMW sold with the balance of the Certified Protection Plan coverage, or
- A Pre-Owned BMW sold without Certified Protection Plan coverage

11.1 Processing vehicles previously sold as Certified, which will again be represented for sale as CPO:

- 11.1.1 Upon receipt of a Certified Pre-Owned BMW into your inventory, run a CARFAX or Experian AutoCheck Vehicle History Report to verify that the vehicle is in compliance with CPO enrollment standards. Run a DCSnet Warranty Vehicle Inquiry to verify that the vehicle contract field indicates "Active" or "HyperActive".

If both conditions are favorable, enter the vehicle into your Pre-Owned Inventory (POIS) as CPO 72 MO/100K (see **Section 5.1**) and then send the vehicle to the workshop for CPO inspection and reconditioning. If the DCSnet Warranty Vehicle Inquiry indicates Pending for a center other than yours, please contact BMW NA at (201) 307-3752 immediately.

Note: Already ACTIVE CPO units, will not show in the vehicle history as "pending" – they will show as "ACTIVE" for the center that originally enrolled and reported the CPO sale. Active and HYPERACTIVE show as such for the center that originally enrolled/reported the CPO retail.

- 11.1.2 Re-Certify the vehicle to current standards by using the Vehicle Inspection Checklist and following the **Vehicle Inspection Guidelines and Standards** section located in this Certified Pre-Owned BMW Vehicle Program Center Operations Manual.

- 11.1.3 When entering the vehicle into your Pre-Owned Inventory, you will need to select the Pre-Owned Type of CPO 72 MO/100K. Once a vehicle is in the Certified Pre-Owned BMW Vehicle Program, it stays in the program until expiration of the Certified Pre-Owned BMW Protection Plan (6 years or 100,000 miles from the original in-service date, whichever comes first).

Center Operations Manual

Program Operating Guidelines

- 11.1.4. Upon successful completion of the Certification Inspection in the workshop, all reconditioning and vehicle detail, apply all applicable point-of-sale materials to the vehicle.
- 11.1.5. At delivery, ensure that all proper and appropriate materials are available. (See **Section 8.3**)
- 11.1.6 Record the sale as CPO via DCSnet. This will initiate the mailing of a VIN-specific CPO Consumer Welcome Kit within about 30 days from the RDR as CPO. The Welcome mailing includes a personalized Consumer Information Statement and an Owner's Roadside Assistance card.
- 11.2 Processing vehicles previously sold as Certified, which will be represented and sold as Pre-Owned with the balance of the CPO Protection Plan Coverage:
 - 11.2.1 Enter the vehicle into your Pre-Owned Inventory and save it as USED. Inspect and recondition the vehicle addressing individual state safety and emission standards in accordance with applicable local and state regulations.
 - 11.2.2 Since these vehicles will not be sold as Certified, they cannot be represented as Certified. Therefore, they must not be labeled with any CPO point-of-sale material. Since these vehicles have not undergone the reconditioning process, do not represent them as Certified. You may, however, tell the customer that they have the remaining CPO protection plan coverage.
 - 11.2.3 Record the retail sale as a "Used" vehicle via DCSnet. This sale will not trigger the mailing of a Consumer Welcome Kit to the new owner. The new customer name and address for this "Used" sale will update.
- 11.3 Processing vehicles previously sold as Certified, which will be represented and sold as Pre-Owned without CPO Protection Plan Coverage:

Sometimes a vehicle that was previously sold as Certified will no longer qualify to have coverage under the Certified Pre-Owned BMW Protection Plan. This could occur if:

 - The vehicle has any one of the conditions as outlined under Operating Guidelines **Sections 4.2.6** (a) through (l); or
 - The vehicle fails to meet the Inspection Guidelines Body Evaluation Standards.
 - It is determined that an M car has missed the required Initial 1200 Mile Running In Service by more than 1200 additional miles. This service must have been completed and documented on the BMW DCS Warranty Vehicle Inquiry, and it must not exceed the initial 2400 miles, without exception.

In such situations, please follow the procedure to cancel the Certification described in **Section 6**.

12. Prohibited Operating Practices

BMW NA has worked hard to incorporate enough flexibility to make certifying a vehicle an easy process for the center to manage on a day-to-day basis. There are, however, two basic operating practices that absolutely must be adhered to:

- 12.1 Once a CPO contract is Active, it remains Active. Certification cannot be added or removed from the vehicle. Furthermore, CPO cannot be any part of the retail price negotiations with the customer. Certification, like standard equipment on new vehicles, cannot be added or removed in order to lower the selling price of a pre-owned BMW, and it cannot be added or removed at the request of a customer. The Certified Pre-Owned BMW Vehicle Program adds value because it is rolled into the total selling price of the vehicle. Once a vehicle is retailed as CPO, either "Active or HYPERACTIVE" in the Program, it cannot be removed from the Program, period. Strict penalties apply if this is found to occur during the sales process. Please refer to **Sections 13.2 and 14**.

A vehicle must be deleted from the CPO Program if it is: 1) wholesaled; 2) sold to another BMW center; or 3) sent to auction. Active CPO Vehicles that no longer qualify for the CPO Program for various reasons (as defined in **Sections 11.3**) must be cancelled from the Program. Please follow the procedure described in **Section 6**.

Center Operations Manual

Program Operating Guidelines

Note: In Pending CPO status - ACTIVE vehicles do not get deleted from CPO they just get removed from the center's POIS

The cost of Certification (enrollment fees, reconditioning, others) must never be shown as a line item on the CPO Buyer's Order or vehicle invoice, nor should it ever be discussed with the customer. Adding or deleting Certification during the retail price negotiations could make the CPO Protection Plan appear as an aftermarket warranty or service contract, which it is not. If price becomes an issue the center must take advantage of the opportunity to stress the benefits of the Certified Program to the customer and the value added by the Certified Pre-Owned BMW Protection Plan, which is backed by BMW of North America.

12.2 A Vehicle May Not be Certified after the Sale.

The Certified Pre-Owned BMW Vehicle Program is designed to add value to a Pre-Owned BMW because it is incorporated into the total price of the vehicle. The consumer pays one price and receives all the benefits associated with the CPO Program. Certification may not be treated like a service contract.

BMW NA expressly prohibits any center from Certifying a pre-owned vehicle After the Fact. A center that presents a vehicle to a customer as Certified and then tries to Certify it after the sale may be guilty of misrepresenting the product to the customer.

In an After the Fact circumstance, BMW of North America is under no obligation to enroll a vehicle in the Certified Pre-Owned BMW Vehicle Program. The center must accept responsibility for failing to follow the proper enrollment procedures and will also be responsible for all action(s) and expense(s) to make this situation right with the customer.

13. Non-Compliance with CPO Program Operating Guidelines, Criteria and Processes

Failure to adhere to the Certified Pre-Owned BMW Vehicle Program operating guidelines, criteria and processes can jeopardize the legal status of the Program, erode customer satisfaction and tarnish BMW's brand image. To preserve the integrity of the Program, BMW reserves the right to suspend or possibly terminate a dealer from participating in the Program if that dealer or any their employees or agents willfully or chronically violates any of the Certified Pre-Owned BMW Vehicle Program operating policies, procedures, requirements and/or guidelines.

13.1 Specifically Prohibited Operating Practices

Surcharges, suspension or termination from the CPO Program will be imposed when a center violates the CPO Program's operating guidelines and policies, specifically in any of the following areas:

Effective November 1, 2010 a \$500 surcharge (per VME) will be applied to CPO vehicles identified as Improperly reconditioned during a Reconditioning Examiner Review, a Process Review or an Audit.

Improper Reconditioning - Defined

- Failure to fulfill Maintenance parameters requirements
- Inadequate or undocumented time control documentation for CPO inspection
- Incomplete CPO Inspection Checklist
- Any CPO deficiency found during inspection, not corrected on the reconditioning R.O.
 - Required repairs not completed
- Representing a vehicle which does not meet Program Standards & Guidelines as CPO, including but not limited to:
 - Any criteria for Program disqualification as outlined in CPO Center Operations Manual
 - Open Campaign(s)
 - Non-approved tire(s)
 - Vehicles marketed, represented or sold with battery voltage below the BMW Group's minimum requirement of 12.5 volts, refer to pg 34 (Effective May 2, 2011)
 - Failure to re-inspect & recondition vehicles exceeding 150 days on lot or 2,000 miles since initial certification
 - Failure to follow and fulfill BMW Group Disclosure Policy

Center Operations Manual

Program Operating Guidelines

- 13.1.1 Enrollment of ineligible vehicles in the Program, including but not limited to vehicles with major body repair; inconsistent/incomplete maintenance; branded title; flood damage; modified; abused/neglected; salvaged; unibody damage; totaled or salvaged vehicles; and vehicles with undocumented odometers ("TMU")
- 13.1.2 Any fraudulent activities or reporting; including but not limited to the inaccurate or fraudulent reporting of sales; reporting wholesale units as retail units; falsely reporting sales figures to reach or increase any program or incentive level; falsely reporting retail sale of duplicate VINs.

Infraction	Corrective Action
Fraudulent sales reporting	Center will be charged back any and all affected incentive and bonus monies. Center will be suspended from the CPO Program for a minimum of 30 days.
Ineligible vehicle(s) enrolled in the Program	Center must advise the customer(s) in writing that the sale as a Certified Program vehicle was incorrect and take whatever steps necessary to satisfy the customer, including repurchase. BMW NA is to receive copies of all correspondence to and from the customer(s) verifying that the issue is resolved.*
Failure to properly inspect, repair, recondition and Certify or Re-Certify vehicle(s)	Center must contact all customers affected, and have the vehicles returned for inspection, repair and/or reconditioning consistent with Program Guidelines & Standards at the center's expense. BMW NA is to receive copies of all correspondence to and from the customer(s) verifying that the issue is resolved.*
Customer(s) charged for the cost of Certification	Center must refund the amount charged for the cost of Certification to the customer. BMW NA is to receive copies of all correspondence to and from the customer(s) verifying that the issue is resolved.*
Failure to own and/or deliver Certified vehicles at the center's authorized location by legitimate center employees	Center must advise the customer(s) in writing that the sale as a Certified Program vehicle was incorrect and take whatever steps necessary to satisfy the customer, including repurchase. BMW NA is to receive copies of all correspondence to and from the customer(s) verifying that the issue is resolved.*
After-The-Fact enrollments	After-the-Fact enrollments are expressly prohibited as explained in Section 7 and Section 12.2 of this manual. The final decision to accept or decline Program enrollment will be determined by BMW NA.

*Repurchase or trade assistance required on a Certified Pre-Owned BMW in connection with this type of violation will be resolved entirely at the center's expense. In the case where there is a violation(s), BMW's objective is to make the customer whole. Therefore, if a center does not resolve a violation in accordance with the corrective actions outlined above, BMW of North America reserves the right to reimburse the customer(s) for the expenses incurred for CPO enrollment, inspection; reconditioning; repair; claims; repurchase or trade assistance; etc. and charge these costs back to the offending center.

- 13.1.3 Poor (or non-existent) Certification processes, including failure to properly inspect, repair and/or Certify a vehicle according to the Certified Pre-Owned BMW Vehicle Program Inspection Guidelines and Checklist.
- 13.1.4 Charging customers separately for the cost of Certification, a practice that is specifically prohibited by the Program operating procedures and guidelines. (**Section 12.1**)
- 13.1.5 Engaging in one or more of the following business practices:
- Representing vehicles for sale as Certified that the center does not actually own
 - Offering vehicles for sale as Certified, selling them as Certified, or delivering them as Certified from a location that is not specifically authorized by BMW of North America
 - Allowing any Certified Pre-Owned BMW to be represented for sale as Certified, sold as Certified, or delivered as Certified by individuals who are not employees of that BMW center

Center Operations Manual

Program Operating Guidelines

13.1.6 After-the-Fact Enrollments

An After-the-Fact enrollment occurs when a vehicle is retailed before it is enrolled in the CPO program. In this context, "retailed" applies to the date of sale on the Buyer's Order, as this clearly indicates that the vehicle was represented to the customer as Certified, and/or the date on which the customer took delivery. If the vehicle was represented to a customer or delivered to a customer before the vehicle was enrolled in the CPO Program, it is an After-the-Fact, (ATF).

A center that presents a vehicle to a customer as Certified and then tries to certify it after the sale may be guilty of misrepresenting the product to the customer.

After-the-Fact enrollments are expressly prohibited as explained in **Section 7** and **Section 12.2** of this manual.

13.2 Penalties for Failing to Comply with CPO Program Operating Guidelines, Criteria and Processes

If a center is found to have committed any of the violations listed above, that center will be solely responsible for taking the corrective actions described below to rectify the situation. Repeated violations of the Program will subject the center to suspension or termination from the CPO Program.

14. Operating Guidelines

14.1 Policy with Respect to Suspension

14.1.1 The policy with respect to suspension from participation in the Certified Pre-Owned BMW Vehicle Program is straightforward. The Company wants to focus on centers where there is systematic, deliberate, and flagrant noncompliance involving any number of vehicles.

14.1.2 Suspensions will be imposed only where systematic and deliberate non-compliance exists. The Area Teams and the Retail Audit Group have the experience and the knowledge to judge whether a problem was a one-time mistake or the result of a more fundamental process break-down at the center.

14.1.3 Where there is systematic and deliberate non-compliance with CPO policies at a center, the Area Team will make a recommendation that the center be suspended. The Regional Vice President will have the final responsibility for determining whether or not a suspension should be imposed.

14.2 Suspension Periods

First occurrence	30-day suspension*
Second occurrence (within rolling 12-month period)	90-day suspension*
Third occurrence (within rolling 12-month period)	One-year suspension*

*Note: Suspensions are in addition to any costs that the center must absorb to make the customer whole with respect to the violation (e.g. re-inspection, reconditioning, tires/brakes, refund CPO enrollment fee / Certification charge, etc.)

15. CPO - Transferability

15.1 The Protection Plan is fully transferable (without charge) from the original pre-owned vehicle purchaser or lessee to each subsequent owner or lessee up to the expiration of the plan.

15.2 Subsequent owners of a covered vehicle should be advised to use the owner/address change cards contained in the Protection Plan Consumer Information Statement to notify BMW NA of any ownership or address changes.

Note: For additional ways to update the vehicle's ownership information, please refer to the BMW Warranties Documentation site, under General Reference and select "Vehicle Owner Information."

Center Operations Manual

Program Operating Guidelines

- 15.3 If your center resells a vehicle with Active or HyperActive CPO coverage, please follow the procedure noted in **Section 11** of Operating Guidelines.

16. CPO - Cancellations and Refunds

The plan is non-cancelable by any party once the plan is activated and delivered to a retail customer.

However, coverage will automatically be terminated if the vehicle:

- 16.1 Is reported stolen,
- 16.2 Is determined to be a total loss by a qualified entity or person.
- 16.3 Suffers significant damage as a result of collision or water infiltration.

Center management is required to report such instances to the BMW NA Warranties department.

cpo.enrollments@bmwna.com



Operations Guidelines

Inspection Guidelines

Warranty Guidelines

Forms

Center Operations Manual

Inspection Guidelines

Vehicle Inspection Guidelines & Standards

TABLE OF CONTENTS

Certification Process Review	27
Original Equipment Manufacturer (OEM) Components, Parts and Accessories	27
Key Reader and ISPA Light Data Print Outs	27
Maintenance	28
Pre-Owned Awareness	30
Lease Portfolio Management	30
Upkeep/Reconditioning during the Ownership Period	30
CPO Inspection/Certification - Reconditioning	30
"Packs"	30
Vehicle Background Review	32
Battery Inspection/State of Charge	34
Body Repairs	34
Instrument Cluster Mileage	34
The Certified Pre-Owned Detail Process	35
Paint Evaluation Guidelines	36-37
Body Evaluation Standards	38
Other Body Areas: Condition, Fit & Finish Inspection Guidelines	39
Wheel Assembly Inspection Standards	40
Run-Flat System Components	41-42
Glass Inspection Guidelines & Standards	43-44
Mechanical Inspection Guidelines & Standards	44-47
Interior Inspection Guidelines & Standards	48
Road Test Inspection Guidelines & Standards	48
Stationary Review	49
Rolling Review	50
Approval Section	51
Final Steps for Inspection Guidelines & Standards	52
Follow-up Service/Reconditioning Inspection	52

Center Operations Manual

Inspection Guidelines

Certification Process Review

When performing the Certification inspection of a vehicle, the BMW center must keep in mind that the vehicle involved is not new. Accordingly, restoration of the vehicle to "like new" condition is not the objective of the Certification inspection process. The purpose is to examine all safety-related functions and address any condition that is unusual in nature, given the particular age and mileage category of the actual vehicle being inspected. The time required to perform a consistent and thorough CPO inspection should be uniform regardless of the model, age, condition or mileage. The time required to conduct the actual reconditioning and repair so that the vehicle will conform to CPO Guidelines and Standards will be dependent on the deficiencies noted during the inspection. Employing these Certified Pre-Owned Inspection Guidelines & Standards should result in a thorough and consistent inspection and reconditioning process.

Original Equipment Manufacturer (OEM) Components, Parts and Accessories

BMW vehicles are designed, engineered and constructed to exacting specifications. For a vehicle to be considered for the Certified Pre-Owned Program, it is essential that all safety-related components conform to the vehicle's original designed specifications. Therefore, as part of the Certified Pre-Owned Inspection and Reconditioning process, only Original Equipment Manufacturer (OEM) BMW components, parts, and accessories for all safety-related components qualify a vehicle for the Certified Pre-Owned BMW Vehicle Program. Safety-related components consist of (but are not limited to): airbags; safety belts; seats; headrests; tires; wheels; brake rotors; brake pads; mirrors; suspension components; headlight, fog light, and taillight assemblies.

Throughout the certification process you are asked to evaluate and document that safety-related components are OEM and that their condition is acceptable to the standards outlined within the CPO inspection guidelines. Safety-related components that are non-OEM or are below the BMW CPO Standards must be replaced with Original Equipment Manufacturers (OEM) BMW components, parts or accessories. Your CPO reconditioning Repair Order must document the replacement of all non-OEM and below standard safety-related components by reflecting the BMW part number(s), part cost, repair time and the cost for each repair.



Key Reader and ISPA Light Data Print Out

Key Reader utilization has become essential throughout the CPO enrollment and inspection process. You must run and maintain copies of a minimum of three (3) separate key readings* [ISPA Light Data print outs] (1) at the initial enrollment to verify the vehicle's mileage, (2) upon vehicle inspection to confirm the mileage and review the vehicle's maintenance status, Condition Based Service (CBS) or Service Interval Indicator (SIA), and (3) at the conclusion of the Road Test to verify the duration of the process. Please review all sections within this operations manual for applicable key reader/Light Data print out applications.

*Requirements:

- (1) Include with Sales jacket documentation
- (2) Include with Service file documentation
- (3) Include with Service file documentation

CBS Vehicles: Key data will show the current status (not due.....recommended..... due..... and overdue) of the engine oil service, vehicle check, front and rear brakes, microfilter, air cleaner, etc.

SIA Vehicles: Key data will show the current status (not due.....due.....or overdue) of the engine oil service or the Inspection I or II.

Center Operations Manual

Inspection Guidelines

Maintenance

A key purchase motivation for a CPO customer is "peace of mind," and the maintenance history on vehicles allowed into the program must be carefully evaluated during the Certification process.

The BMW Maintenance Program covers a wide array of vehicle services. CPO Program maintenance requirements pertain to the **engine oil services** only (including Inspection I and Inspection II when applicable). You are already evaluating and addressing the other maintenance-related items through your CPO inspection and repair processes.

If a vehicle's service maintenance history indicates it has been reasonably maintained in accordance with the CPO service maintenance requirements, outlined in the applicable tables below, the vehicle should meet the enrollment requirements for this part of the certification procedure.

When your evaluation indicates the vehicle did not have the minimum number of required engine oil services, you will need to contact your BMW Regional Technical Support Engineer (TSE) through PuMA to request a review.

TIS Service Information bulletin SI B11 02 13 - CPO Inspection Guidelines: Engines Requiring a TSE PuMA Case. This service bulletin outlines the submission of a "CPO Engine Inspection" PuMA case. The PuMA case submission requires documentation on the specific vehicle's service maintenance history, digital pictures of the valvetrain, the inside surface of a valve cover, the engine oil filter insert and the vehicle's identification plate on the left B-pillar. The TSE will reply to the PuMA case with the results of their review.

A vehicle's eligibility is measured by one table or the other:

The first CPO service maintenance requirement table (Table 1- Low Mileage Vehicles) is to be used when the candidate vehicle has lower than average miles, based on its time in service.

Table 1 - Low Mileage Vehicles

Time (Number of Months in Service)	Oil Service History or W of Oil Services on the BMW/MA Warranty Vehicle History	Oil Services Required	Action
12 to 23 months	0	0	Engine oil service history is not available for CPO Program.
	1 or more	1	Vehicle is eligible for CPO Program.
24 to 35 months	0	2	Vehicle is not eligible for CPO Program. If service history is not available, contact TSE for review.
	1	2	
	2 or more	2	
36 to 47 months	0	3	Vehicle is not eligible for CPO Program. If service history is not available, contact TSE for review.
	1	3	
	2	3	
	3 or more	3	
48 to 60 months	0 or 1	4	Vehicle is not eligible for CPO Program. If service history is not available, contact TSE for review.
	2	4	
	3	4	
	4 or more	4	

Center Operations Manual

Inspection Guidelines

The second CPO service maintenance requirements table (Table 2, Oil Service Deficiency by Mileage) is to be used to evaluate candidate vehicles that are deficient in the number of oil services that they have received relative to their mileage. In this case, deficient means that the vehicle has had fewer oil services than the number required based on the vehicle's mileage.

For a vehicle to be eligible for enrollment into the CPO Program, it should have at least the following oil services:

Table 2 - Oil Service Deficiency by Mileage

Mileage	Oil Service History # of Oil Services on the BMW/NA Warranty Vehicle Inquiry	Oil Services Required	Action
Less than 15,000 miles	0	0	
	1 or more	0	
15,001 to 30,000 miles	0	1	Electronically update the CPO System to include the vehicle in compliance with Service Bulletin 15-001.
	1 or more	1	
30,001 to 45,000 miles	0	2	
	1	2	Electronically update the CPO System to include the vehicle in compliance with Service Bulletin 15-001.
	2 or more	2	
45,001 to 60,000 miles	0	3	
	1	3	
	2	3	Electronically update the CPO System to include the vehicle in compliance with Service Bulletin 15-001.
	3 or more	3	

When there are doubts about a vehicle's maintenance history that are not covered in Table 1 and Table 2 above, your Regional Technical Support Engineer is a key resource. When there are doubts, you should always err on the side of caution, but your Regional Technical Support Engineer can help you make the right decision when the situation is not 100% black or white.

If you discover that a vehicle cannot be put into the CPO program because of damages or neglect as the result of improper maintenance, please notify BMW NA immediately using the applicable form provided in **Forms** section of this manual (page 67 or 76). This will enable BMW NA to add a comment to the vehicle's history that will (1) ensure that the vehicle is excluded from the CPO Program in the future and (2) show up on a Warranty Vehicle Inquiry in DCSnet.

Center Operations Manual

Inspection Guidelines

Suggestions for improving Pre-Owned vehicle quality, increasing service penetration and reducing the cost of sale for Pre-Owned vehicles

Pre-Owned Awareness

Pre-Owned vehicles offer many opportunities for a center's Sales, Service and Parts Departments. Pre-Owned sales also place considerable pressure on these already overburdened departments. Volume planning, commitment to reconditioning standards, establishment of parts and labor costs and center departmental communication and cooperation are essential for a successful Pre-Owned program.

Lease Portfolio Management

Full Circle off-lease vehicles are a known quantity to your Sales Department. By updating your DMS Repair Order system with the VINs from the BMW Financial Services Owner Loyalty Report, your Service Department will be able to identify Full Circle program vehicles. Once tagged, your team of Service Advisors, Technicians and Parts personnel will be able to easily track these vehicles throughout the term of the new-vehicle lease. All employees should be aware that these vehicles represent your center's "on the road" rolling inventory. Every effort should be made to maintain your center's fleet of "soon-to-be" off-lease vehicles. Focus should be given to maximizing the use of the BMW Maintenance Program. Your Service management should be charged with ensuring that all BMW NA Warranty and customer pay maintenance is managed in a timely and cost-effective manner. Awareness of each vehicle's condition throughout the lease period will be essential to ensure the success of your Pre-Owned sales program.

Upkeep/Reconditioning during the Ownership Period

The process of service consulting necessary customer pay repairs to upkeep or recondition the vehicle should not begin at trade in, especially when a vehicle is being returned at the end of the lease term. Evaluating a vehicle's condition and, providing repair recommendations when necessary should occur at every workshop visit throughout ownership period.

Discuss the benefits of replacing worn tires at your service department, including the use of approved OEM tires. If available at your center, offer paint and body damage repair and paintless dent removal services. Since your center benefits from a well-maintained vehicle, it is in your center's interest to support these repairs with the Aftersales Mobility Program.

CPO Inspection/Certification - Reconditioning

When performing a CPO Certification vehicle inspection, please keep in mind that the vehicle is not "new" but "pre-owned." Accordingly, restoration to a "like-new" condition is not the objective of the CPO inspection/certification process. Instead, the purpose is to first address all safety-related issues, and then consider any usual items based on the vehicle's age and mileage.

For all pre-owned BMW vehicles in your center's inventory with remaining New Vehicle/SAV Limited Warranty coverage and an eligible repair is necessary, this repair will require prior inspection, approval and repair order signature authorization by the appropriate center Service Management personnel. This includes vehicles being processed for certification and enrollment into the Certified Pre-Owned BMW Protection Plan. BMW Group policy requires Service Manager to sign off on all R.O.s.

BMW New Vehicle/SAV Limited Warranty claims resulting from reconditioning repairs will be refused or debited as necessary

"Packs"

Adding items automatically to the Pre-Owned reconditioning repair order without consideration for the actual repair required results in unnecessary overcharges to the Sales Department. Such services as Inspection I or II, brake and coolant flushes should only be considered if they are required based on the maintenance and in-service history of the vehicle. Tire rotation is NOT recommended for most of our models (please refer to the vehicle's Owner's Manual).

Center Operations Manual

Inspection Guidelines

Vehicle Inspection Checklist

Enrollment & Vehicle History

This basic header data is to be completed by the Pre-Owned Manager and act as a work order to the Service Department to conduct the BMW CPO Inspection.

Enrollment & Vehicle History				STOCK NO.:	
DATE:	CENTER NAME:	CENTER NO.:			
CHASSIS NO.:	MILEAGE:	MODEL:	MODEL YEAR:		
KEYS: MASTERS <input type="checkbox"/> VALET <input type="checkbox"/> WALLET <input type="checkbox"/> Mileage is to be substantiated through attaching a copy of the Key Reader!					
SOURCE:	BMW FS OFF-LEASE <input type="checkbox"/>	OTHER OFF-LEASE <input type="checkbox"/>	TRADE-IN <input type="checkbox"/>	AUCTION <input type="checkbox"/>	OTHER <input type="checkbox"/>

Vehicle Background & Maintenance Review

The Vehicle Background & Maintenance section is to be completed by the Service Advisor. Prior to the physical inspection of the vehicle, this section is intended to provide a reference point concerning the vehicle's service needs and history. Depending on the source of the vehicle's acquisition and the history of its maintenance, major decisions concerning the extent of reconditioning can be established in advance. This will aid in reducing the overall processing time while improving your reconditioning quality. What picture does your DMS service file, the DCSnet Warranty Vehicle Inquiry, the CARFAX or Experian AutoCheck Vehicle History Report, the Key Reader Printouts and the vehicle's Service and Warranty Information booklet documentation reflect?

Note that a Condition Based Service (CBS) reading of "overdue" should prompt you to determine whether or not the vehicle meets CPO guidelines for maintenance.

SECTION 1: VEHICLE BACKGROUND & MAINTENANCE					
CPO ENROLLMENT DATE:			IF NOT enrolled as CPO [Pending or Active], STOP!		
SERVICE ADVISOR NAME:		REPAIR ORDER #:		EMPLOYEE #:	
DATE OPENED:		VEHICLE ORIGINAL IN SERVICE DATE:			
Service Interval Indicator (SIA)		CURRENT SERVICE INDICATOR DISPLAY: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> OR		Condition Based Service (CBS)	
Item		Service is due in:		Comments:	
Engine Oil	Date/Miles	Item	Service is due in:	Comments:	
Front Brakes	Miles	Microfilter	Miles		
Rear Brakes	Miles	Brake Fluid	Months		
Vehicle Check	Date/Miles	Air Cleaner	Date/Miles		
		Coolant	Months (applicable models only)		
VEHICLE MAINTENANCE HISTORY					
Engine Oil Services:		Brake Services:		BMW NA DCS Service History printout REQUIRED!	
First Service	YES <input type="checkbox"/> Date of Service:	Front Pads	YES <input type="checkbox"/> Date of Service:		
Next or Annual	<input type="checkbox"/>	Rear Pads	<input type="checkbox"/>		
Next or Annual	<input type="checkbox"/>	Front Rotors	<input type="checkbox"/>		
Next or Annual	<input type="checkbox"/>	Rear Rotors	<input type="checkbox"/>		
M-Model 1200 mile Running-In Check	<input type="checkbox"/>	Fluid Flush	<input type="checkbox"/>		
To specification - not to exceed 2400 miles	<input type="checkbox"/>				
Inspections (SIA Vehicles):		Other:			
1	<input type="checkbox"/>	Coolant Flush	<input type="checkbox"/>		
2	<input type="checkbox"/>	Belt(s) Replaced	<input type="checkbox"/>		
OPEN CAMPAIGNS?		Wipers/Inserts	<input type="checkbox"/>		
NON-BMW PERFORMANCE MODIFICATIONS? <input type="checkbox"/> YES <input type="checkbox"/> NO		Filters (Cabin/Engine)	<input type="checkbox"/>		
HAS CARFAX OR AUTOCHECK REPORT BEEN RUN? <input type="checkbox"/> YES <input type="checkbox"/> NO		Center	Mileage		
Does CARFAX or AutoCheck report disqualify for CPO? <input type="checkbox"/> YES <input type="checkbox"/> NO					
BODY REPAIR HISTORY: Repair Order(s):					
Comments - include any known damage/repairs:					
INSTRUMENT CLUSTER:					
Has the instrument cluster been replaced? <input type="checkbox"/> YES <input type="checkbox"/> NO					
If YES, does the current cluster reflect the TOTAL and TRUE mileage? <input type="checkbox"/> YES <input type="checkbox"/> NO					

STOP! Before the vehicle ever enters the workshop, it should become evident not to proceed with the CPO certification process because the vehicle is not Program qualified based on the repair and/or maintenance history. If you discover a vehicle cannot be put into the CPO program because of current or previously installed non-BMW approved performance accessories, major body repair; inconsistent/incomplete maintenance; branded title; TMU (True Mileage Unknown); flood damage; modifications; abuse/neglect; salvage; etc., please notify BMW immediately by using the form provided in **Form pg.68**

Center Operations Manual

Inspection Guidelines

NOTE

BMW of North America reserves the right to disqualify a vehicle from the Certified Pre-Owned by BMW program for failure to meet CPO standards. This determination will be based on a review of the following documentation: (1) the vehicle's service file(s), (2) the DCSnet Warranty Vehicle Inquiry, (3) Key Readings, (4) the vehicle's Service and Warranty Information booklet and (5) CARFAX or Experian AutoCheck Vehicle History Report.

Vehicle Background & Maintenance Review (continued)

- Has this vehicle been properly maintained throughout its in-service period? The maintenance history on the vehicle must be complete and consistent, based on the in-service date, age, and mileage of the vehicle. Use the "MP Claims" button in the DCSnet Warranty Vehicle Inquiry to filter out, review, and print out the BMW Maintenance Program claim history.
- Does your repair order history, the DCSnet Warranty Vehicle Inquiry, or the CARFAX or the Experian AutoCheck Vehicle History Report reflect any body repairs or shortcomings? Please review **Section 9: Pre-Owned Disclosure Notice** for BMW NA's policy of full disclosure of any known damage and repair information about a vehicle.
- What services, maintenance and/or campaigns does this vehicle currently require? It is BMW NA policy that open campaigns and Condition Based Service (CBS) or Service Indicator (SIA) maintenance that is "due", "recommended", or "overdue" must be performed regardless of whether the vehicle will be put into the CPO program, sold as USED, returned to BMW FS, sent to auction, or wholesaled. Repair Order line items must be opened for all "due", "recommended", or "overdue" maintenance items and open campaign work must be completed.

Open Campaigns

Check for open campaigns, perform and submit as necessary.

BMW Maintenance Program Defect Codes - Includes changing the engine oil

Engine Oil Service (the first required engine oil service only)	85 99 00 89 MP
Engine Oil Service (all required engine oil services after the first one)	85 99 00 91 MP
(1) Annual Low-Mileage/12-month Interval Oil Change (applicable gasoline models only)	85 99 00 87 MP
(2) 1200 Mile Service (applicable models only)	85 99 00 88 MP
Inspection I (SIA Vehicles)	85 99 00 92 MP
Inspection II (SIA Vehicles)	85 99 00 93 MP

Additional BMW Maintenance Program Defect Codes

Vehicle Check	85 99 01 01 MP
Spark Plug Replacement (replaces defect code 85 99 06 01 MP)	85 99 02 01 MP
Automatic Trans Fluid Change	85 99 03 01 MP
Oxygen Sensors - Replacement	85 99 04 01 MP
(3) Standard Scope	85 99 05 01 MP
Valet Service (applicable models only)	99 99 77 77 MP
A/C Compressor Drive Belt	64 54 03 77 MP
Cabin Microfilters - Fresh air and recirculation	64 31 02 37 MP
Front Windshield Wiper Rubber Insert	61 61 00 77 MP
Rear Windshield Wiper Rubber Insert	61 61 11 77 MP
Brake Pads - Front	34 11 00 77 MP
Brake Pads and Discs - Front	34 11 77 77 MP
Brake Pads - Rear	34 21 00 77 MP

Center Operations Manual

Inspection Guidelines

Brake Pads and Discs - Rear	34 21 77 77 MP
Brake Pads - Front and Rear	34 11 00 35 MP
Brake Pads and Discs - Front and Rear	34 11 00 38 MP
Brake Fluid - Replacement	34 00 00 77 MP
Manual Transmission Clutch Disc	21 21 00 77 MP
(4) Engine Coolant Replacement	17 11 00 77 MP
Engine Drive Belt - Alternator/Water Pump (old version, replaced by 85 10 01 44 MP)	11 28 03 77 MP
Engine Drive Belt - Alternator/Water Pump (new version)	85 10 01 44 MP
Engine Air Filter (Intake Silencer)	11 72 03 76 MP
Adjustments (in conjunction with the applicable Service Maintenance Checklist)	11 00 77 77 MP
Sales Tax - Maintenance Program Repairs (applicable states only)	10 32 01 05 MP

In addition to the defect codes listed above, the following defect codes apply to the listed models when it shows "Recommended" or "due" in the Condition Based Service (CBS) display.

Parking Brakes Shoes (E65, E66 only)	34 41 04 77 MP
Parking Brake Cables - Both (E65, E66 only)	34 41 08 77 MP

- (1) A limited number of BMW vehicles accumulate very low mileage annually, in some situations, it is insufficient for the Service Interval Indicator system to call for an engine oil service or an inspection I or II. For this situation, BMW NA recommends that the vehicle's engine oil be changed after 12 months.

A low-mileage vehicle is defined as one for which at least 365 days have passed (12-month interval) since the original in-service date or the the date of the last engine oil change.

For complete details see Service Information bulletin B01 04 10 - BMW Maintenance Program Annual Low-mileage and Customer Pay Additional Engine Oil Changes

- (2) 1,200 Mile Service - Applicable models only. See the respective Service and Warranty Information Booklets.
- (3) Applies CBS vehicles, procedure and time allowance to reset the CBS Maintenance item intervals.
- (4) 2003 MY Z4 and all 2004 MY BMW vehicles have long-term rated coolant with no required periodic change interval.

Center Operations Manual

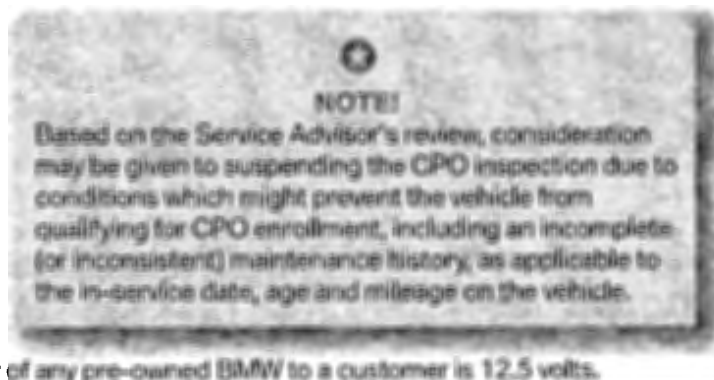
Inspection Guidelines

M-Mobility Kit Servicing

The M-Mobility kit, for applicable vehicles, needs to be serviced by replacing the sealant cartridge at the interval stated in the Service and Warranty booklet. This is covered under the "BMW Maintenance Program" using the following defect code:

M-Mobility Kit Servicing	71 10 01 77 MP
--------------------------	----------------

The Service and Warranty Information booklet should be also reviewed to confirm the maintenance history. Update to booklet to reflect the level of maintenance being performed under "reconditioning" and return it to the vehicle's portfolio.



Battery Inspection/State of Charge

The minimum battery voltage required for delivery of any pre-owned BMW to a customer is 12.5 volts.

Periodic battery recharge is required every 6 weeks; if vehicle cannot be started (no crank) anymore within the 6 week recharge interval, the OCV must be measured again and if necessary, the battery replaced.

BMW Group Battery Charge Voltage Standards - All Pre-Owned BMW Vehicles in Center Inventory

12.5 Volts to 12.9 Volts	FULLY CHARGED
12.0 Volts to 12.49 Volts	IMMEDIATE RECHARGE
Below 12.0 Volts	REPLACE

Body Repairs

Special attention should be given to inspecting previous body repairs. This information may be confirmed by review of your record of Repair Orders to be reflected under the BODY REPAIR HISTORY section of this checklist.

Instrument Cluster Mileage

Is the mileage on the vehicle consistent with the DCS and center's service history?

If NOT, further review is necessary.

Was the instrument cluster changed or related repair performed?

If YES, does the current cluster reflect the TOTAL and TRUE mileage?

If NO, and for all questions concerning mileage, please email it to the email address below that applies to your region.

Eastern Region: East.Questions@bmwna.com

Southern Region: South.Questions@bmwna.com

Western Region: West.Questions@bmwna.com

Central Region: Central.Questions@bmwna.com

Center Operations Manual

Inspection Guidelines

The Certified Pre-Owned Detail Process

Prior to conducting the BMW CPO Inspection, the vehicle should receive a thorough interior and exterior detailing, consisting of the following:

EXTERIOR:

Engine Compartment

- Position the vehicle where the run-off from this process will conform to environmental standards.
- Refer to related SI Bulletin(s) for the proper engine-cleaning procedure.

Clean Wheel Wells/Under-Carriage

- ☐ Rinse with sufficient water to remove caked on brake dust and loose dirt.

Wash Exterior

- ☐ Apply liberal amounts of soap using BMW Car Shampoo p/n 83 12 0 405 174

Clean Hood, Trunk Gutters and Door Jambs

- ☐ Apply BMW Wax p/n 83 12 0 405 176 to areas where cleaners were used.

Clean Wheels

- ☐ Brush using BMW Wheel Cleaner p/n 83 12 0 405 177

Clean Exterior Glass

DO NOT wax or buff the vehicle at this time. The Body Condition, Fit and Finish Inspection has not been performed nor have subsequent repairs been completed. Final cleaning and polishing is to be done prior to displaying and offering for sale as CPO.

INTERIOR:

Vacuum

Shampoo

- Headliner, door panels, cloth seats, carpet and floor mats.

Leather and Vinyl Cleaning

- ☐ Clean and protect leather areas with BMW Leather Care Kit p/n 83 12 0 411 371.
- ☐ Clean vinyl upholstery with BMW Rubber/Vinyl Cleaner p/n 83 12 0 405 183 and protect with BMW Interior Cleaner with Fresh Scent p/n 83 12 0 405 178.

Instrument Panel and Console Cleaning

- ☐ Clean rubber and vinyl areas of the instrument panel and console with a clean cloth, lukewarm water and BMW Rubber/Vinyl Cleaner p/n 83 12 0 405 183.
- ☐ Dress rubber and vinyl areas with BMW Interior Cleaner with Fresh Scent p/n 83 12 0 405 178.

Interior Glass Cleaning

SPECIAL NOTE: Vehicles with break-resistant Security Glass should be cleaned with clear water.

Odor Removal

- Clean all interior surfaces as noted above.
- Utilize the BMW Rainbow Air Activator/Odor Outter – call the BMW Equipment Hot Line at 1-888-222-7997.

Refer to the Vehicle Care section of the Owner's Manual for additional information.

Center Operations Manual

Inspection Guidelines

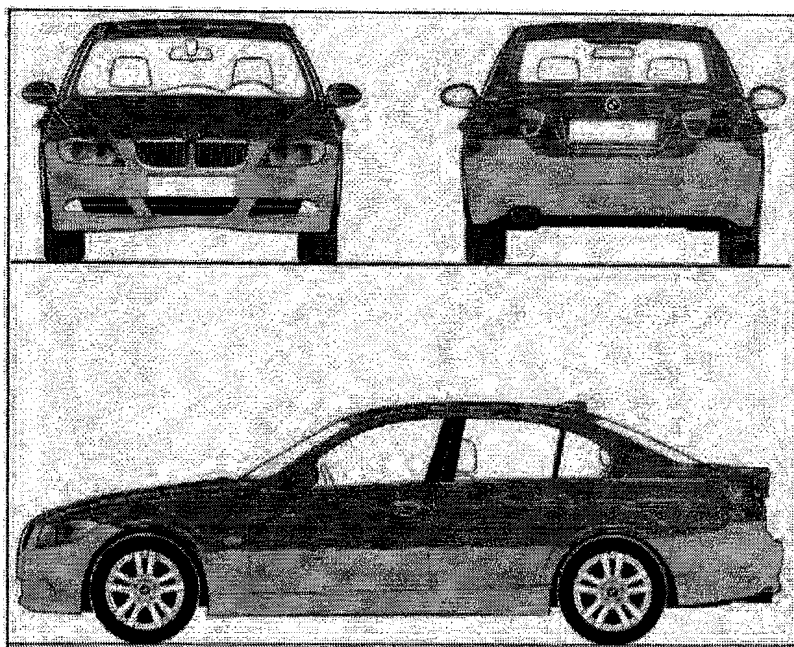
Paint Evaluation Guidelines

When evaluating a vehicle, the general overall condition must be taken into account. Regular care and attention is just as important for the paint of a vehicle as oil changes and mechanical maintenance. As a guide in the assessment of the condition of the paint finish, it is important to keep in mind that the body of a BMW is painted as a single unit, from the zinc phosphate coating to the final clear coat. Depending on the location and extent, most cosmetic shortcomings should be repaired prior to offering the vehicle for sale under the CPO BMW Program.

The following should assist in your evaluation of pre-owned vehicle paint finish. Conditions which could impair the proper function of the body component are not acceptable (example: dents and scratches down to the metal).

For all other zones, besides A and B shown below, no specifications for optical quality are required. However, the functional requirements must be fulfilled (i.e., dents and scratches down to the metal must be repaired).

Table 1. Critical Evaluation Zones



Location	Area Color	Evaluation
A	Red	Direct Visual Area
B	Green	High Visual Area

Evaluation Areas A and B with Recommended Recondition		
Condition	A	B
Chips ON paint	>1/4-inch Repair	Discretionary
Chips IN paint	Repair	Repair
Scratches ON paint	Buff	Buff
Scratches IN paint	>1-inch Repair	>3-inch Repair
Scratches TO metal	Repair	Repair
Dents (paint intact)	Repair	Discretionary
Dents (paint broken)	Repair	Repair

Center Operations Manual

Inspection Guidelines

Condition	Inspection	Recondition
Chips ON paint finish: Damage caused by flying stones, sand and salt to the front, sides and roof panels.	"ON paint" - through the clear and color, but NOT through the primer.	These areas should be touched-up.
Chips IN paint finish: In many cases the paint finish is penetrated through to the primer coating. Paint blisters in the area around the impact; rust may soon develop if the scar is into the bare metal and the impact damage is not repaired.	"IN paint" - through clear, color, primer and INTO THE METAL.	The area should be refinished.
Scratches ON paint finish.	Commonly known as "hairline" scratches; NOT through the clear coat.	Polish out using a very mild abrasive polishing compound, buffing at a low speed.
Scratches IN paint finish. (Includes scratches to metal.)	Damage extending through the clear and color into the primer and may also go to the metal.	The panel(s) should be refinished.
Body dents (paint intact): Inward or outward depressions in the painted metal surface.	Small dents where the paint IS NOT BROKEN.	The dent should be removed by a paintless dent service.
Body dents (paint broken): Inward or outward depressions in the painted metal surface.	ALL dents where the paint IS BROKEN.	The area should be repaired and refinished.

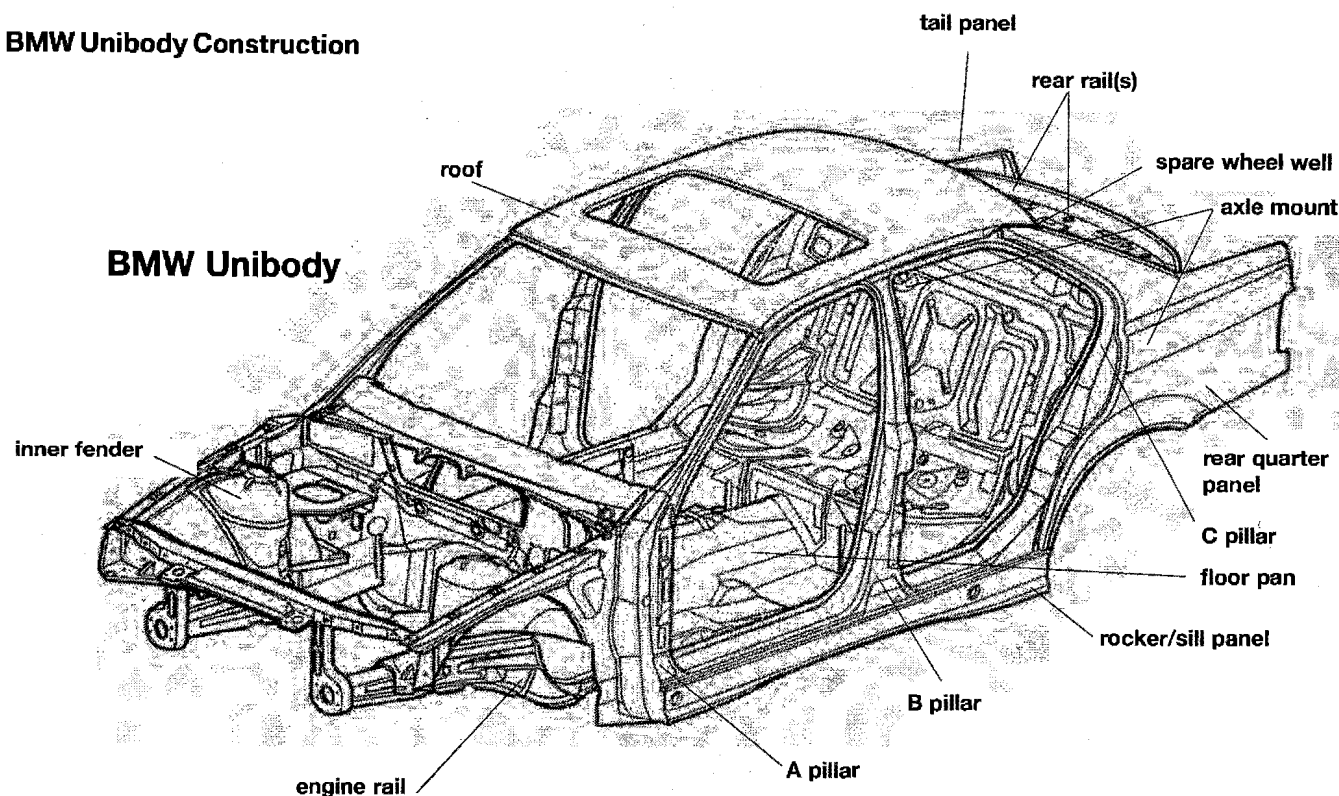
Center Operations Manual

Inspection Guidelines

Body Evaluation Standards

All BMWs have unibodies. Unitized vehicle bodies consist of the floor pan, safety occupant cell and outer panels. The floor pan consists of the base panel, side and crossmembers, engine mounting and axle mountings. The safety occupant cell consists of the front bulkhead, rocker panels, A-B-C-D pillars and the rear bulkhead. Outer panels consist of the nose, quarter, tail and roof. Bolt-on parts such as the hood, fenders, doors and trunk are not considered part of the unibody because they have no structural function. For the purpose of evaluating CPO Program Eligibility, any vehicle where a Component as listed on the Unibody Review Chart has been replaced WILL NOT be eligible for CPO enrollment. Vehicles where these components have been repaired will qualify for enrollment provided that the repair conforms to the functional requirements of the body component (example: doors meet alignment and operation standards if the rocker or pillar[s] were subject to repair).

BMW Unibody Construction



Component	Extent of Repair	CPO Program Eligibility
Inner fender(s)/shock tower(s)	Replacement	NO
Engine rail(s)	Replacement	NO
A-B-C-D pillar(s)	Replacement	NO
Rocker/sill panel(s)	Replacement	NO
Rear quarter panel(s)	Replacement	NO
Tail panel(s)	Replacement	NO
Axle mounting(s)	Replacement	NO
Roof	Replacement	NO
Spare wheel well	Replacement	NO
Floor pan: main cell & trunk	Replacement	NO
Rear rail(s)	Replacement	NO

Center Operations Manual

Inspection Guidelines

Other Body Areas: Condition, Fit & Finish Inspection Guidelines

Area	Inspection	Recondition
Bumpers: front and rear	Check for alignment and condition.	Realign as necessary.
Hood	Check for alignment.	Realign as necessary.
Doors: left/right front/back	Check for alignment.	Realign as necessary.
Convertible top	Check for fit, wear, leaks and operation.	Repair or replace as necessary.
Sunroof	Test all functions; inspect gasket.	Adjust, align, repair or replace as necessary.
Antenna	Check condition.	Realign or replace as necessary.
Trunk	Check condition.	Realign or adjust as necessary.
Hatch (model-dependent)	Check operation.	Realign or adjust as necessary.
Tailgate (model-dependent)	Check operation.	Realign/adjust as necessary.
Battery well	Inspect battery and battery well.	Ensure battery is intact, proper size, AMP HR for model, and the area secure; refill, replace as necessary.
Running boards	Check condition.	Repair or replace as necessary.
Fuel-filler door & gas cap strap/seat	Check for alignment and condition.	Realign as necessary.
Mirror assembly (2)	Check housing for condition and operation.	Repair, refinish or replace as necessary.
Alignment of all panels	Spacing should be uniform throughout.	Closely examine all out-of-line conditions. This may indicate damage repair or panel replacement.

Center Operations Manual

Inspection Guidelines

Wheel Assembly

SECTION 2: WHEEL ASSEMBLY

Area	Inspection	Recondition
Tires & tire treads (including spare*) *Model/Option Dependent	Confirm that the tires currently on the vehicle are Original Equipment Manufacturers (OEM) by brand, type, size, speed rating, and matching tread pattern.	Replace mismatched and/or non-approved tire(s) with proper OEM by brand, type, size, speed rating, and matching tread pattern as specified in KSD, the BMW Tire Center and related BMW Aftersales Department, Technical Service and Parts Bulletins. Balance all replaced tires.
	On vehicles that have a factory or dealer installed OEM upgrade BMW Wheel / Tire combination, the spare tire may be discovered to be a different size or brand.	Replace mismatched and/or non-approved tire(s) with proper OEM by brand, type, size, speed rating, and matching tread pattern as specified in KSD, the BMW Tire Center and related BMW Aftersales Department, Technical Service and Parts Bulletins for the appropriate upgrade BMW Wheel. In this situation, the spare tire may be a different size/brand, but should remain as originally equipped. Balance all replaced tires.
	Inspect surface wear and sidewall damage.	Replace plugged, patched, cupped, unevenly worn and sidewall-damaged tire(s). Adjust alignment of uneven tread wear. Balance all replaced tires.
	Measure tread depth across the entire surface of the tire from outside, center and inside at the TOP of the wear indicators – S. I. 04 02 96 of 3/96. BMW Special Tool: p/n 83 30 0 492 467.	REPLACE any tire measuring LESS THAN 3-mm tread depth at all locations across the entire surface. Balance all replaced tires.
Tire pressure	Measure and record tire pressure on CPO Checklist.	Adjust pressure to placard requirements.
M Mobility Kit (applicable vehicles)	Check to ensure M Mobility Kit is present or previously used. Ensure M Mobility sealant is not expired, service as outlined in the	Replace missing M Mobility Kit or used sealant. Expired M Mobility sealant needs to be serviced by replacing the sealant cartridge. This may be covered under the "BMW Maintenance Program" using defect
Wheels (including spare*) *Model/Option Dependent	Confirm that the wheels currently on the vehicle are Original Equipment Manufacturers (OEM) H2 type, size, and style.	Replace mismatched and/or non-approved wheel(s) with proper OEM H2 by type, size, and style as specified in KSD, Technical Service and Parts Bulletins or optional BMW Alloy Wheels catalogs.
	Inspect the rims for chips, scratches, gouges, impact damage, cracks and warpage.	Replace bent, gouged, cracked and/or warped wheels. Refinish small chipped, scuffed and scratched rims.
	If questionable, TEST RUNOUT.	Wheel(s) is (are) to conform to Runout Specifications – cannot exceed 0.6 mm Radial/0.6 mm Lateral. Bent rims CANNOT be repaired; Required replacement applies to every BMW model, with new BMW OEM by type, size and style as specified in the KSD.
Wheel torque	Torque wheel lugs.	Adjust lug bolts to correct Nm torque.
Brake rotor condition	Visually examine disc surfaces.	Replace non-OEM, scored, hot-spotted or warped rotors.
	If replacing pads, measure overall thickness – for special tool, call the BMW Equipment Hot Line at 1-888-222-7997 and ask for p/n 54-434060.	When replacing pads, replace any disc (in axle sets) that are at or below the minimum thickness specification that is stamped on OEM Rotor's hub.
Brake calipers	Visually inspect condition.	REPLACE non-OEM calipers. If replacing pads, clean brake contact points and grease wheel-centering hubs.

During a brake pad replacement service, measure the corresponding brake discs thickness as outlined in the BMW Repair Manual and compare your findings against the "Minimum Thickness Specification" stamped on the brake disc. Apply your results against the brake discs replacement guidelines that correspond to the type of brake discs installed on the vehicle (either the standard or cross-drilled brake disc specification). If the brake discs are required to be replaced in conjunction with the brake pad replacement, the measured thickness of the replaced brake discs must be noted on the repair order and in the claim comments. Rotors must be replaced in pairs (same axle).

Center Operations Manual

Inspection Guidelines



Run-flat System Components

The BMW Run-flat System Components (RSC) consists of:

- Self-supporting run-flat tires - RSC
- Extended hump wheels - EH2
- Run-flat indicator - 'TPM'

Nitrogen Inflated Tires: The use of Nitrogen to inflate tires is not recommended for normal use of BMW vehicles; however the use of Nitrogen is not prohibited. Ref: **SI B 36 04 06** March 2006

Area	Inspection	Recondition
Brake pads	Confirm that the brake pads currently on the vehicle are Original Equipment Manufacturers (OEM). Check overall thickness - BMW Special Tool p/n 83 30 0 492 467. Reference BMW Special Tool Database; Dealer Speed > Centernet > TIS > BMW.	REPLACE non-OEM pads regardless of remaining friction material (not including backing plate) and OEM pads measuring LESS THAN 5 mm of friction material (not including backing plate,) with proper OEM pads.
Parking brake pads	If replacing rear pads inspect for OEM type and condition.	Replace non-OEM pads. If conditions require, replace using OEM pads.
Self-supporting Run-flat Tires RSC (including spare*) *Model/Option Dependent	Confirm that the tires currently on the vehicle are Original Equipment Manufacturers (OEM) Run-flat Tire brand, type, size, speed rating, and matching tread pattern.	Replace mismatched and/or non-approved tires with proper OEM RSC by brand, type, size, speed rating, and matching tread pattern as specified in KSD, the BMW Tire Center and related BMW Aftersales Department, Technical Service and Parts Bulletins. Balance all replaced tires.
	Inspect surface wear and sidewall damage.	Replace, plugged, patched, cupped, unevenly worn and sidewall-damaged tire(s). Adjust alignment of uneven tread wear. Balance all replaced tires.
	Measure tread depth across entire surface of the tire from outside, center and inside at the TOP of the wear indicators using BMW Special Tool p/n 83 30 0 492 467.	Replace any tire measuring less than 3mm tread depth at all locations across the entire surface. Balance all replaced tires.
Tire pressure	Measure tire pressure.	Adjust pressure to placard requirements.
Extended Hump Wheels EH2 (including spare*) *Model/Option Dependent	Confirm that the wheels currently on the vehicle are Original Equipment Manufacturers (OEM) EH2 by type, size, and style.	Replace mismatched and/or non-approved wheel(s) with proper OEM EH2 by type, size, and style as specified in KSD, Technical Service and Parts Bulletins or optional BMW Alloy Wheel Catalogs.
	Inspect the rims for chips, scratches, gouges, impact damage and warpage.	Replace bent, gouged and/or warped wheels. Refinish small chipped, scuffed and scratched wheels.
	If questionable, TEST RUNOUT.	Wheel(s) is (are) to conform to Runout Specifications - should not exceed 0.6 mm Radial/0.6 mm Lateral.
Wheel torque	Torque wheel lugs.	Adjust lug bolts to correct Nm torque.
Run-flat Indicator System TPM	Check the tire pressure monitoring (TPM) system.	Initialize tire pressure monitoring (TPM) system per individual model instructions as reflected in applicable Owner's Manual.

Center Operations Manual

Inspection Guidelines

Area	Inspection	Recondition
Substitutions 1	<p>Vehicles originally manufactured and equipped with all the Run-flat System Components but without a spare tire.</p> <p>This includes but may not be limited to: Z8-All Models; Z4-All Models; E63 and E64 Models; E90 -All Models.</p>	<p>NO Substitutions allowed!</p> <p><u>Must</u> be inspected, reconditioned and delivered with ALL Run-flat System Components in place and properly functioning.</p>
Substitutions 2	<p>Vehicles Originally manufactured and Equipped with Run-flat System Components and with a spare tire (full or space saver).</p> <p>This includes but may not be limited to: E38 w/ option 365 and all E38 Protection Line; E46-330i models w/option code 298; 330xi models w/option code 298 or ZSP; E-65 w/option code 239 or 584; E60 w/ options ZSP or ZSS.</p>	<p>Should be inspected, reconditioned and delivered with ALL Run-flat System Components in place and properly functioning.</p> <p>However, Original Equipment Manufacturers (OEM) All-Season Tires may be substituted for RSC tires provided:</p> <ol style="list-style-type: none"> 1. All five (5)* tires (spare included) conforming to proper OEM brand, type, size, speed rating and matching tread pattern as specified in KSD, the BMW Tire Center and related BMW Aftersales Department, Technical Service and Parts Bulletins; 2. are mounted and balanced on all five (5)* wheels (spare included) conforming to proper OEM EH2** or H2** type, size, and style as specified per model in KSD and related Technical Service and Parts Bulletins or optional BMW Alloy Wheel Catalogs; 3. AND the purchasing customer <u>must</u> be informed, <u>in writing</u>, (See Form pg. 74 for sample notice.) prior to delivery that the vehicle is not equipped with Run-flat Tires and, if substituted, EH2 wheels. <p>*four (4) if equipped with space saver spare</p> <p>** EH2 and H2 wheels may not be mixed.</p> <p><u>See pg. 74 for sample notice.</u></p>

Center Operations Manual

Inspection Guidelines

Area	Inspection	Recondition
<p>Windshield: Chipped, cracked, or scratched windshield will require replacement with Original Equipment Manufacturer (OEM) BMW windshield.</p> <p>Windshields that are not BMW OEM glass but are physically sound (i.e., not chipped, not cracked and not scratched) do <u>not</u> require replacement provided that the non-BMW windshield is able to accommodate BMW vehicle-specific equipment (such as, but not limited to, Head-Up-Display, Night Vision Infrared, or Rain Sensor).</p>	<p>Conduct an in-depth inspection of the windshield, inside and out, to evaluate the condition and ensure that the windshield is sound and not chipped, cracked or scratched. Special attention must be given to ensure that the vehicle's windshield —whether it is a BMW OEM windshield or a non-BMW replacement windshield — is able to accommodate BMW vehicle-specific equipment such as, but not limited to, Head-Up-Display, Night Vision Infrared, or Rain Sensor.</p>	<p>Replace cracked windshields regardless of length of crack with an OEM BMW windshield.</p> <p>Repair chips that are smaller than ¼ inch in diameter. Replace windshield with chip(s) larger than ¼ inch in diameter with an OEM BMW windshield.</p> <p>Polish small scratches. Replace with OEM BMW windshield if scratched in the driver's direct line of sight or if the scratch is larger than 2 inches in length.</p> <p>Replace with OEM BMW windshield if a non-BMW windshield does not accommodate BMW vehicle-specific equipment such as, but not limited to, Head-Up-Display, Night Vision Infrared, or Rain Sensor.</p>
<p>Door & side glass: Chipped, cracked, or scratched door & side glass will require replacement with Original Equipment Manufacturer (OEM) BMW door & side glass.</p> <p>Door & side glass that is not BMW OEM glass but is physically sound (i.e., not chipped, not cracked and not scratched) does <u>not</u> require replacement.</p>	<p>Conduct an in-depth inspection of all door & side glass, inside and out, to evaluate the condition and ensure that the glass is sound and not chipped, cracked or scratched.</p>	<p>Replace cracked glass regardless of length of crack with OEM BMW door & side glass.</p> <p>Repair chips that are smaller than ¼ inch in diameter.</p> <p>Replace door & side glass with chip(s) larger than ¼ inch in diameter with OEM BMW door & side glass.</p> <p>Polish small scratches.</p> <p>Replace with OEM BMW door & side glass if scratched in the driver's direct line of sight or if the scratch is larger than 2 inches in length.</p>

BMW Glass Repair: Resources

- ✓ SIB 51 09 06 – BMW Glass Repair
- ✓ SIB 51 15 06 – BMW Glass Repair Marketing Materials
- ✓ Aftersales Bulletin V-16-0909-5104 : Glass Repair & Replacement Certification Program 9/18/2009

Center Operations Manual

Inspection Guidelines

Area	Inspection	Recondition
<p>Rear glass: Chipped, cracked, or scratched rear glass will require replacement with Original Equipment Manufacturer (OEM) BMW rear glass.</p> <p>Rear glass that is not BMW OEM glass but is physically sound (i.e., not chipped, not cracked and not scratched) does <u>not</u> require replacement provided that the non-BMW rear glass is able to accommodate BMW vehicle-specific equipment (such as rear window defroster).</p>	<p>Conduct an in-depth inspection of the rear glass, inside and out, to evaluate the condition and ensure that the glass is sound and not chipped, cracked or scratched. Special attention must be given to ensure that the vehicle's rear glass —whether it is a BMW OEM rear glass or a non-BMW replacement rear glass — is able to accommodate BMW vehicle-specific equipment such as rear window defroster.</p>	<p>Replace cracked glass regardless of length of crack with OEM BMW rear glass.</p> <p>Repair chips that are smaller than ¼ inch in diameter.</p> <p>Replace rear glass with chip(s) larger than ¼ inch in diameter with OEM BMW rear glass.</p> <p>Polish small scratches.</p> <p>Replace with OEM BMW rear glass if a non-BMW rear glass does not accommodate BMW vehicle-specific equipment such as rear window defroster.</p>
VIN (Vehicle Identification Number) ID: Visible from the outside on the driver's side of the windshield is the 17-digit VIN.	<p>Match all 17 digits to the Safety Compliance Label located on the driver's side B pillar. Also, match the last seven (7) digits to the Chassis number on the Repair Order.</p>	<p>NONE – Mismatched numbers may be an indication of a major problem.</p> <p>Advise management IMMEDIATELY.</p>
Exterior/interior mirror(s)	Inspect mirror surfaces.	<p>Replace if not Original Equipment Manufacturers (OEM). Replace cracked, scratched or broken with Original Equipment Manufacturers (OEM) mirror(s).</p>
Side & rear shades	Extend and retract all sunshades, inspecting for operation and condition.	<p>Replace worn, torn and broken shades.</p> <p>Clean all shades.</p>

Mechanical


SECTION 4: MECHANICAL

*{RT} = Road Test. Operation is to be evaluated during the Road Test phase of the inspection.

Headlights and assembly	Inspect the lenses and assembly to evaluate the condition and ensure the components are Original Equipment Manufacturers (OEM).	<p>Replace if not Original Equipment Manufacturers (OEM) lenses and assemblies.</p> <p>Replace cracked lenses or lenses with holes with Original Equipment Manufacturers (OEM) lenses and assemblies.</p>
Fog lights and assembly	Inspect condition of the lenses and assembly to evaluate the condition and ensure the components are Original Equipment Manufacturers (OEM).	<p>Replace if not Original Equipment Manufacturers (OEM) lenses and assemblies.</p> <p>Replace cracked lenses or lenses with holes with Original Equipment Manufacturers (OEM) lenses and assemblies.</p>

Center Operations Manual

Inspection Guidelines

Area	Inspection	Reconditioning
Wiper blades and assembly	Inspect condition of wiper blades and assembly.	Replace cracked, broken or twisted blades. Replace torn, cracked or worn-out inserts.
Washer jet {RT}*	Inspect washer jet assembly.	Adjust or repair jets as necessary.
Headlight washer jets (optional) {RT}*	Inspect washer jet assembly.	Adjust or repair jets as necessary.
Door handle, hinge & lock	Inspect and operate all handles, hinges and locks.	Lubricate as necessary. Repair as necessary.
Keys	Check to ensure both master keys are available, up to date and functioning	Order and replace any missing master key(s). 
Central locking functions & Comfort Access	Activate all the central locking features using BOTH master keys. Check the locking/unlocking features with the valet and wallet keys.	Repair as necessary. Replace batteries in master keys as necessary.
Hood-release (primary & safety)	Check the condition and function.	Repair as necessary.
Alarm functions	Set and activate alarm system. Check the condition and function.	Replace batteries in key pads as necessary. Repair as necessary.
Seat and headrest functions	Check all seat and headrest adjustment points and memory features and ensure the components are Original Equipment Manufacturers (OEM).	Repair as necessary. Replace with Original Equipment Manufacturers (OEM). Replace if not Original Equipment Manufacturers (OEM). Components cannot be exchanged from another vehicle.
Seatbelt(s), buckle(s), latch(es), height adjustment & stress indicators	Check the condition and function of all belts and ensure the components are Original Equipment Manufacturers (OEM). When extended, check the seatbelts for body, cologne or perfume odor.	Replace with Original Equipment Manufacturers (OEM) any belt or component that is worn or frayed. Clean with mild soap/water and dry completely before allowing to retract into the inertia reel. Replace if not Original Equipment Manufacturers (OEM).
Airbags	Visually examine the SRS airbag units for torn covers, obvious damage or attachment of decals, decorations or accessories and ensure all airbags are Original Equipment Manufacturers (OEM).	Replace with Original Equipment Manufacturers (OEM) units with torn covers and obvious damage. Remove and discard any nonconforming decals, decorations or accessories. Replace if not Original Equipment Manufacturers (OEM).

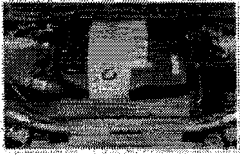
Center Operations Manual

Inspection Guidelines

Area	Inspection	Reconditioning
Airbag Activation/Deactivation	Please refer to current Service Information bulletin(s) concerning BMW Policy and Procedures pertaining to the Activation/Deactivation of airbag(s).	
Child locking functions	Set and test the child-locking feature on models with rear doors.	Repair as necessary.
Fuel-filler door locking	Check condition. Check the locking/unlocking features. Check gas cap strap and holder.	Repair as necessary.
Trunk / Tailgate or Hatch	Check condition and operation. Check the locking (soft close) and unlocking (remote) features. Check operation of Emergency Release.	Repair as necessary.
Rear taillight assembly	Inspect condition of the lenses and assembly to evaluate the condition and ensure the components are Original Equipment Manufacturers (OEM).	Replace if not Original Equipment Manufacturers (OEM) lenses and assemblies. Replace cracked lenses or lenses with holes with Original Equipment Manufacturers (OEM) lenses and assemblies.
Gas shocks: hood & trunk	Check condition and operation.	Replace as necessary.
Rear wiper (optional) (RT)*	Inspect wiper blade, assembly and washer jet position.	Replace cracked, broken or twisted blade. Replace torn, cracked or worn-out insert. Reposition jet and fill fluid as necessary.
Jack, lug & tools (Model dependent)	Inspect for standard tools and equipment.	Replace as necessary.
Suspension components	Inspect for condition of struts and ball joints as outlined in SIB 04 03 03	Replace as necessary.
Lifting blocks	Jack mounting points check that all lifting blocks are in place.	Replace as necessary.
Front control arm bushings	Check for wear.	Repair as necessary.
Steering	Check operation for absence of play, condition of suspension track rods, front axle joints, steering linkage and joint disc. Check for leaks and wear.	Repair as necessary.
Major component mounts	Check for cracking and wear.	Repair as necessary.
Exhaust system	Visually check condition, position and mounting, examining for leaks. Shake system, examining for rattling and mounting problems.	Repair as necessary.

Center Operations Manual

Inspection Guidelines

Area	Inspection	Reconditioning
Engine compartment	Engine cover - inspect for damage 	Replace as necessary
Fluid levels: Oil Brakes Power steering Washer Coolant Cleaning solution – Advanced Diesel	Check the fluid level. Where possible, verify via maintenance history that M Model vehicles have had only Castrol TWS Motorsport 10W-60 Synthetic oil.	Add correct fluids as necessary.
Coolant protection level	Check the coolant protection level.	Adjust if below specification.
Fluid levels: Transmission Differential - front & rear Transfer case	If subject to LEAKAGE, check fluid level.	Repair leak; replace fluid as necessary.
Fluid leaks of components, tanks, lines & couplings: Coolant Engine oil Transmission Differential - front & rear Transfer case CV Joints & Boots Gas Brake Power steering Shocks & struts Self-leveling (optional) Cleaning solution – Advanced Diesel	Check for cracking, wear and leakage.	Repair leak; replace fluid as necessary.
B pillar stickers VIN ID	Match all 17 digits to the Safety Compliance Label located on the driver's side of the windshield. Also, match the last seven (7) digits to the Chassis number on the Repair Order.	NONE - Mismatched numbers may be an indication of a major problem. Advise management IMMEDIATELY.
Placard	Check for the Placard label.	Replace as necessary.
Belts	Check for cracking and wear.	Repair as necessary.
Belt tensioners	Check condition and operation.	Repair as necessary.
Hoses: Coolant Hydraulic A/C	Check for cracking, wear and leakage.	Replace as necessary.
Battery voltage (Refer to pg 34)	Check battery state-of-charge.	Charge, load-test or replace as necessary. Attach printout to CPO Checklist
Review diagnostic faults	Perform quick test.	Interrogate the fault memory to correct and clear any faults that may be in the vehicle. The technician should work through all test plans and refer to any published Service Information Bulletins or Service Round Table subjects that are applicable. Correct all faults, and then reset system.

Operations Guidelines

Inspection Guidelines

Warranty Guidelines

Forms

Center Operations Manual

Inspection Guidelines

Interior Inspection Guidelines & Standards

Area	Inspection	Recondition
Door weather seal	Inspect for wear and condition.	Replace as necessary.
Carpet/floor mat	Inspect for wear and damages.	Clean, repair or replace as necessary.
Wood trim	Inspect for condition.	Repair or replace as necessary
Cup holder(s)	Inspect operation and damages.	Repair or replace as necessary.
Glove box	Inspect operation and condition.	Clean and repair as necessary.
Seats	Inspect for wear and damages.	Clean, repair or replace as necessary.
Headliner	Inspect for wear and damages.	Clean, repair or replace as necessary.

Body Condition, Fit and Finish

Road Test

Vehicle Inspection Checklist		VIN							
Road Test		Minimum road test time period: 20 uninterrupted minutes Minimum road test distance: 5 continuous miles							
SECTION 5: STATIONARY REVIEW									

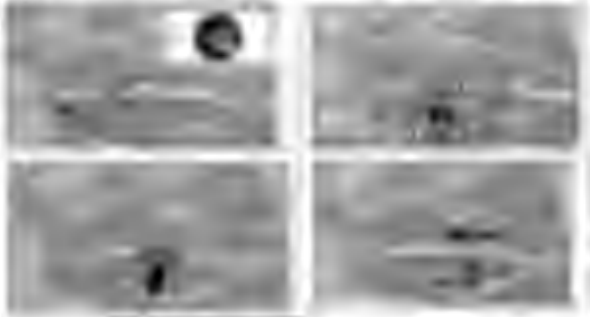

A quality road test must take a minimum of 20 uninterrupted minutes and cover a minimum of 5 continuous miles. **Key Reading (2)** both BEFORE and AFTER the Road Test will need to be attached to the CPO Inspection Checklist for each vehicle.

Select a location to conduct the **STATIONARY REVIEW** that is quiet and will lend itself to viewing all exterior lights from the interior, while allowing proper venting with the motor running. The **ROLLING REVIEW** should take place over a route that has sufficient starts and stops, left and right turns, up, down, bumpy and straight roads to provide a good review of the vehicle's operation. During the Rolling Review, the radio and climate control should be off and the windows closed to properly evaluate road and vehicle noise. Please concentrate on testing and evaluating the vehicle. Filling out and completing the Rolling Review section of the checklist should be done when the test is completed with the vehicle stopped, the transmission in Park or Neutral and the motor turned off.

Center Operations Manual

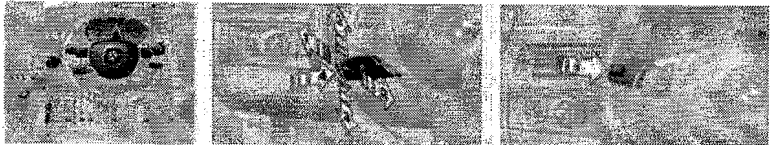
Inspection Guidelines

Stationary Review

Area	Inspection	Recondition
Mileage: Before _____ After _____	Minimum road test period: 20 uninterrupted minutes. Minimum road test miles: 5 continuous miles.	As noted below.
Driver's seat function	Test, inspect and operate all features of the seatbelt, seat front/back - up/down, headrest and lumbar (optional). 	Repair, clean or replace as necessary.
Mirror functions	Test all adjustments and heating features, of exterior mirrors; Gentex feature of interior and tip-down while in Reverse for exterior passenger side. Check compass if equipped. Check fold -in and auto fold-out features. 	Repair or replace as necessary.
Navigation CD/DVD	Check the functions of the navigation system. For CD based systems it is required that the vehicle be delivered with a working OEM CD for the center's region. For DVD based systems it is required that the vehicle be delivered with a working OEM DVD.	Repair or replace as necessary. Deliver vehicle with a working CD or DVD.
Night Vision Infrared	On applicable vehicles, check to ensure Night Vision Infrared is operational. Special attention must be given to ensure that the vehicle's windshield—whether it is a BMW OEM windshield or a non-BMW replacement windshield—is able to accommodate operation of the Night Vision Infrared	Repair or replace inoperable Night Vision Infrared. Replace with OEM BMW windshield if a non-BMW windshield does not accommodate BMW Night Vision Infrared
Rain Sensor	On applicable vehicles, check to ensure Rain Sensor is present and operational. Special attention must be given to ensure that the vehicle's windshield—whether it is a BMW OEM windshield or a non-BMW replacement windshield—is able to accommodate operation of the Rain Sensor.	Repair or replace inoperable Rain Sensor. Replace with OEM BMW windshield if a non-BMW windshield does not accommodate BMW Rain Sensor.

Center Operations Manual

Inspection Guidelines

Area	Inspection	Recondition
Head-Up-Display	On applicable vehicles, check to ensure Head-Up Display is operational. Special attention must be given to ensure that the vehicle's windshield —whether it is a BMW OEM windshield or a non-BMW replacement windshield — is able to accommodate operation of the Head-Up-Display.	Repair or replace inoperable Head-Up-Display. Replace with OEM BMW windshield if a non-BMW windshield does not accommodate BMW Head-Up-Display.
On-Board Computer System	Test all functions.	Repair or replace as necessary.
Steering wheel	Conduct a detailed testing of: column adjustments; horn; audio functions for radio, cassette and CD (if equipped); stalk controls for wipers (x4) and washers (x2); high beams and computer (x5). 	Repair or adjust as necessary.
Pedal function	Test travel, response and clutch lock-out features while starting.	Repair or replace as necessary.
Gearshift function	Test smoothness and lock-out features while starting.	Repair or replace as necessary.
Parking brake function	Check parking brake actuation.	Adjust to model specifications as necessary
HVAC control	Activate and perform a detailed test of all features at all control levels.	Repair or replace as necessary.
Audio function	Activate and perform a detailed test of all features at all control levels for radio, satellite radio and CD, if so equipped.	Repair or replace as necessary.
Electrical	Activate and test all features.	Repair or replace as necessary.

SECTION 6: ROLLING REVIEW

(Checklist to be completed following testing cycle; not while driving the vehicle.)

Area	Inspection	Recondition
Engine performance	Test cold and hot starting; evaluate idle and acceleration performance.	Repair as necessary.
Transmission shifting	Test all gears throughout various speed ranges, both up- and down-shifting.	Adjust, repair or replace as necessary.
Cruise control	Test all control features.	Repair or replace as necessary.
Noise	Listen for problem noise.	Eliminate.
Vehicle handling and braking performance	Test and evaluate the road handling, control, traction and stopping performance.	Adjust, align, balance, repair or replace as necessary.
Steering wheel	Test centering. Evaluate shimmy.	Adjust, align, balance, repair or replace as necessary.
Instrument gauges	Test and ensure that all are operational.	Repair or replace as necessary.
Other	Open section for additional comments.	

Center Operations Manual

Inspection Guidelines

Approval Section

SERVICE HISTORY

Technician's, Service Manager's and Pre-Owned Manager's signatures certify that the vehicle has been properly inspected and that all required repairs have been completed. This is a pre-owned vehicle, no other repairs made, except as otherwise noted. The vehicle is in good condition.

TECHNICIAN NAME	PHONE NO.	SIGNATURE	DATE
SERVICE MANAGER NAME		SIGNATURE	DATE
PRE-OWNED MANAGER NAME		SIGNATURE	DATE
OWNER NAME		SIGNATURE	DATE

- First line item is required to be "Perform BMW Certification Inspection".
- Individual line items are required to be opened on the Repair Order, reflecting each repair.
- Immediately following the conclusion of the CPO Inspection, the checklist must be reviewed, with all required repairs approved by the management team of the Service Manager and the Pre-Owned Manager. "Pre-Signing" is absolutely not permitted.
- CPO Inspection Checklist sign-offs: Date should agree for all signees and should be the date of the last Technician punch time.
- BMW Technicians are required to provide actual repair time through punch-time tags or electronic time logging per line:
 - ✓ Accurate punch times (on/off) for CPO Inspection
 - ✓ Accurate punch times (on/off) for each repair
 - ✓ Repair comments
- The Accounting Copy of the Repair Order must reflect parts covering all repairs, including BMW part numbers (OEM)
- Retain the original of the CPO Vehicle Inspection Checklist with the customer signature if applicable, (mandatory in some states), in the Service file.



Special Situation- BMW Maintenance Program Claims

When performing two or more maintenance services:

- Without work interruption, only one "on" and one "off" punch is required.
- With interruptions, additional "on" and "off" punches will be required to resume and complete the maintenance service work.

Center Operations Manual

Inspection Guidelines

Final Steps

Final Steps for Vehicle Inspection Guidelines & Standards

- Review and complete all forms and checklists
- Close out all open items
- Perform all required repairs and reconditioning
- Including all open Recalls/Campaigns from the most current DCS print-out
- Complete the final detailing operations of waxing and polishing
- Issue the Statement of Certification
- Install:
 - Portfolio – Owner's Manual, Service & Warranty Information Booklet
 - CPO license plate
 - CPO windshield static cling label
 - CPO "Monroney" price label
 - Take minimum of 12 digital photos for web site
 - Price the vehicle on the web site.
 - Position the vehicle on the front line for sale and immediate delivery.

Follow-Up Service

Follow-up Service/Reconditioning Inspection Guidelines & Standards

Wash CPO display vehicles weekly or more frequently, depending on condition.

Rotate display vehicles weekly.

Check battery voltage weekly and charge as necessary, print MidTronics, place in Service file (refer to pg 35).

CPO Re-inspection Requirement: Complete CPO process for each CPO vehicles every 150 days in stock and/or with every 2,000 miles accumulated since initial certification.

Center Operations Manual

Warranty Guidelines

What's New Since the Previous Manual

What's New

- The Limited Warranty Guidelines section of the BMW Certified Pre-Owned Center Operations Manual has been updated to further clarify the program's coverage.
- The Defect Codes section of the Warranties Department Knowledge Portal and the Frequently Asked Questions will be removed from DCS. Going forward, this manual will be the one stop shop for CPO claim-related information.
- The "WKP@bmwna.com" mailbox has been de-activated. The new email address, for suggestions and comments, is provided under Feedback section.
- CPO Warranty Coverage- Cross Border Policy
- Batteries are now covered as consequential damage.

Operations Guidelines

Inspection Guidelines

Warranty Guidelines

Forms

Center Operations Manual

Warranty Guidelines

Warranty Guidelines

TABLE OF CONTENTS

Instructions for Using BMW Materials	55
Feedback	55
The Certified Pre-Owned Limited Warranty	56
Time and Mileage Limits	56
Plan Coverage	56
Determining Coverage	56
What is Not Covered?	57
Coverage for Normal Wear and Tear Components.....	59
Consequential Damage	60
Consequential Repair	60
Additional Scenarios: Non-Covered Items under the Certified Pre-Owned Program.....	60
Programming/Encoding (With or Without a Component Replacement)	61
Initializing	61
Emissions Warranties	61
Repair Policy and Procedures	61
Labor – Repair Time	61
Work Time.....	61
Road Tests	61
TeileClearing Parts	61
Diagnostic Test Plans	62
Claim Submission	62
Claim - Defect Code	62
Claim - Repair Line Item Reimbursement	62
Claim Handling Charge.....	63
Vehicles with Active CPO Coverage.....	63
Out of Warranty In-Stock Vehicles in Pending CPO Status	63
Repair Order Signature and Line Item Authorization Requirements.....	63
Alternate Transportation.....	63
CPO Warranty Coverage – Cross-Border Policy	64

Operations Guidelines

Inspection Guidelines

Warranty Guidelines

Forms

Center Operations Manual

Warranty Guidelines

Instructions for Using BMW Materials

BMW of North America, LLC ("BMW NA") provides the following material to assist you in your administration of the Certified Pre-Owned Program:

- Electronic version of the Certified Pre - Owned Center Operations Manual
- Consumer Information Statement Protection Plan

For the most current information, please refer to the electronic version of the BMW Certified Pre-Owned Limited Warranty Center Operations Manual available at www.bmwcenternet.com.

To access the electronic version of the CPO manual from the CenterNet home page, from the top menu bar:

1. Click Site Map.
2. Under the BMW column and the heading Aftersales, select BMW Warranties Documentation.
3. Under the Warranties and Program column, select Certified Pre-Owned (CPO).
4. Select Policies, and then select Center Operations Manual.

Feedback

Please address your suggestions and comments to:

cpomanualfeedback@bmwna.com

For specific claim and coverage related questions, please use the appropriate email address or fax number.

Eastern Region:	East.Questions@bmwna.com
Southern Region:	South.Questions@bmwna.com
Western Region:	West.Questions@bmwna.com
Central Region:	Central.Questions@bmwna.com
Warranties Fax Number:	201-307-4189

Center Operations Manual

Warranty Guidelines

The Certified Pre-Owned Limited Warranty

Although the Certified Pre-Owned BMW Limited Warranty is comprehensive, it is not an extension of the original 4 year/50,000 mile BMW New Vehicle/SAV Limited Warranty. The Certified Pre-Owned BMW Limited Warranty takes over when the BMW New Vehicle Limited Warranty expires, and the coverage it provides is somewhat different from the new car warranty.

Time and Mileage Limits

The Certified Pre-Owned Limited Warranty provides specific component protection for up to 2 years or 50,000 miles, whichever occurs first, after expiration of the BMW New Vehicle/SAV Limited Warranty.

In-service Date

48 Months

72 Months

4 Years / 50,000 Miles
New Vehicle / SAV Limited
Warranty

Up to 2 Years / 50,000 Miles
Certified Pre-Owned BMW
Warranty

Plan Coverage

The Certified Pre-Owned Limited Warranty is a **"Named-Exclusion"** warranty, meaning **"what is not covered is specified."**

The **"Named-Exclusions"** are listed on the following pages. This information is also located in the program's Consumer Information Statement - Protection Plan.

The Certified Pre-Owned Limited Warranty covers all mechanical and electrical operating parts and assemblies except for what is listed in the **"What is Not Covered?"** Section on pages 58 to 60.

Determining Coverage

When determining if a repair is covered, the following process is to be utilized:

- What is the customer's complaint?
- What is the cause of the malfunction?
- Is the cause of the malfunction and its repair covered?

Center Operations Manual

Warranty Guidelines

What is Not Covered?

The following is not covered under the Certified Pre-Owned program.

Vehicle Maintenance and Upkeep

- Adjustments
- Balancing or rotation (tires)
- Batteries (as a stand alone repair)
- Brake pads and rotors (discs), brake shoes and drums
- Engine drive belts
- Exhaust systems (including the catalytic converters)
- Filters
- Fluid replacement of a component by itself
- Fuses
- Maintenance services
- Manual and SMG transmission clutch assemblies
- Oils, lubricants, fluids, refrigerants and coolant (except as required in the course of performing a covered repair)
- Rubber hoses and clamps (except for air conditioning and power steering)
- Spark plugs
- Strut elements/shock absorbers (dampers)
- Tires
- Wheel alignment
- Wiper blade inserts

Wear and Tear Only

- Ball joints
- Bushings
- Center tie rod
- Control arms and brackets
- Driveshaft flex disc (guibo coupling)
- Flywheel, ring gear and clutch disc contact area
- Idler and pitman arms
- Springs (sagging)
- Stabilizer bar links and supports
- Suspension bushings
- Tie rod ends and adjusting sleeves
- Trailing arms, wishbones and thrust struts

Note: The components listed above in the "Wear and Tear Only" section **are covered** for defects in materials or workmanship.

Center Operations Manual

Warranty Guidelines

The following **is not** covered under the Certified Pre-Owned program.

Body and Interior

- Air or water leaks
- Body and chassis (all, including gas pressurized springs/struts, latches, locks and windcreens)
- Body seals and gaskets
- Bulbs including Xenon and LEDs (instrumentation bulbs are covered)
- Carpeting
- Cupholders
- Damage due to rust, corrosion or contamination
- Door brakes and checks
- Floor and trunk mats
- Headlamp and headlamp assemblies (including electrical/electronic components)
- Headliner
- Lenses and lens assemblies (including electrical/electronic components)
- Mirrors and mirror assemblies (including electrical/electronic components)
- Mouldings and fasteners
- Paint
- Trim - interior and exterior (all, including the seatbelt extender arm and assembly, sunblinds including the drive motors and sun visors)
- Wheels
- Wind or body noises

The following is not covered except as noted below:

- Convertible top (except for its electrical/electronic components)
- Door handles and carriers (except for the Comfort Access electrical/electronic components)
- Glass (except for the front rain sensor, the grid for the rear defroster/defogger and the remote control transmitter antenna - door lock function)
- Upholstery (except for the seat heating elements and seat occupancy sensor mat)

Accessories (Standard and Optional)

- DVD players
- Navigation system
- Radio/CD/Multimedia/Cassette Player or Multi-CD changer
- Telephones and systems
- Any components of the systems noted above
- All non-original equipment parts, components and accessories

Center Operations Manual

Warranty Guidelines

Coverage for Normal Wear and Tear Components

Various BMW vehicle components and parts are subjected to gradual deterioration or wear resulting from exposure to environmental conditions and the use of the vehicle. Some of these components and parts may eventually require replacement if they exceed the corresponding specifications or tolerances listed in the BMW Technical Data information or an applicable Service Information bulletin.

For example, a gradual loss in performance or increased engine oil consumption is normal for any vehicle and is not considered a covered defect.

To help clarify which components or parts are covered for wear and tear (but not damage) under the CPO Limited Warranty—please refer to the table below.

Covered for Normal Wear and Tear

Engine Alternator Block Camshaft Connecting rod and bearings Crankshaft and bearings Cylinder head, valves, valve guides and springs Pistons/piston rings Starter motor Timing chain Turbochargers Vanos units Water pump Final Drives (front and rear) Assemblies Constant velocity joints (provided the CV boots are intact) Output and drive shafts	Steering Power steering pump (noisy) Steering rack or box (noisy) Wheel bearings (noisy) Suspension Leveling system – pneumatic springs Suspension springs (cracked or broken) Transmissions Assemblies Automatic Manual Transmission SMG Transmission Torque Converter Transfer Case Assembly
--	---

Center Operations Manual

Warranty Guidelines

Consequential Damage

When a **covered** component's defect or failure directly results with a consequential failure of another **covered** or **non-covered** component, including batteries, the replacement of these items are also covered.

Consequential Repair

When a BMW approved repair procedure requires the replacement of a **non-covered** item (partially or fully) to repair or replace a **covered** item, this consequential repair is also covered.

Additional Scenarios: Non-Covered Items under the Certified Pre-Owned Program

The Certified Pre-Owned BMW Limited Warranty excludes covered component failures that are caused by any of the following situations:

- Repairs or replacements performed by non-authorized BMW centers; any part or component that has not failed, or is not completely worn out or unsafe; but for which a repair or replacement has been recommended; or factors beyond the control of BMW.
- The vehicle is not operated as outlined in the Owner's Manual.
- Damage that results from negligence abuse or misuse (improper operation) of the vehicle, improper repair, lack of proper maintenance or servicing, environmental influences, accident, collision, theft, fire, freezing, vandalism, riot, explosion, water infiltration, flood, hail, lightning, earthquake, nuclear related windstorm or water damage, road salt, corrosion or contaminated fuel.
- Maintenance service, and parts when replaced during maintenance services; such as; spark plugs, lubricants, fluids, engine tune-up parts, replacement of filters, coolants and refrigerants.
- Failure to maintain or service the vehicle properly in accordance with the instructions in the Owner's Manual, the Service section of the Service and Warranty information booklet or the BMW Maintenance system display, which results in the failure of any covered part or component.
- Operation of the vehicle with (and resulting damage from) insufficient levels of (or contaminated) fluids, lubricants or coolants, or after a cautioning symbol illuminates and/or text message alert displays that requires the driver to stop and turn off the vehicle.
- Additional consequential damage caused by continued operation of the vehicle in a damaged or overheated condition.
- Damage to any covered component caused by the failure of a non-covered component.
- Modification of the vehicle, or installation of any non-BMW suspension modifications, non-BMW performance accessories or components attached to the vehicle, which alters the original engineering and/or operating specifications, or which results in damage to other original components; electrical interference; shorts; or radio static.

Center Operations Manual

Warranty Guidelines

- Use of non-Genuine BMW Parts or non-approved (independent) repair facilities.
- Additional expenses related to a breakdown, such as (but not limited to) car rental, lodging expenses, loss of pay, or telephone charges.

Programming/Encoding (With or Without a Component Replacement)

The Certified Pre-Owned Program will pay to reprogram and encode a BMW to fix a covered defect with or without a component replacement.

Initializing

BMW will pay to initialize a component or system that is required in conjunction with a covered repair.

Emissions Warranties

Before submitting a claim for a covered emission-relevant component under the Certified Pre-Owned program, please first check to see if it is eligible to be covered by one of the warranties listed below, as determined by the original in-service date.

Specific component coverage and guidelines, for the items below, are listed in the **Warranty Policy and Procedures Manual – Section 9: Appendix.**

- Federal Emissions Warranties Specific Component - 8 Years/80,000 miles
- The Long-Term Emission Control Defects Warranty (California Emission Control System Limited Warranty) - 7 Years/70,000 miles
- Long-Term Emission Control Defects Warranty – Models Certified to Optional Standards (California Emission Control System Limited Warranty) - 8 Years/100,000 miles.
- Super Ultra Low Emission Vehicles (SULEV) classified as Partial Zero Emission Vehicles (PZEV) (Engine Types: M56 and N51) (California Emission Control Warranty) - 15 Years/150,000 miles

Repair Policy and Procedures

Information for the topics listed below is located in the **BMW Warranty Policy and Procedures Manual.**

Labor – Repair Time

Please see Section 8 - Warranty Administration.

Work Time

Please see Section 7 - Claim Coding.

Road Tests

Please see Section 5 - Supplemental Information.

TeileClearing Parts

Please see Section 5 - Supplemental Information.

Center Operations Manual

Warranty Guidelines

Diagnostic Test Plans

Please see Section 5 - Supplemental Information.

Claim Submission

The claim submission procedure guidelines that apply to New Vehicle/SAV Limited Warranty claims also apply to the Certified Pre-Owned program such as:

- Add-on repairs
- Claim review process
- Claim submission guidelines
- Field Warranty Reviews/Center Audit procedure
- Parts retention/return requirements
- Test plans and Diagnostic codes
- PuMA TeileClearing (TC) repair process approval
- Reporting Systems i.e. Warranty Health Assessment Tool (WHAT)

Claim - Defect Code

A "UW" identifier or vendor code must be entered as the ninth and tenth positions of the Defect Code number.

For example: XX XX XX XX UW

Claim - Repair Line Item Reimbursement

Parts* – reimbursed, at the BMW Manufacturer's Suggested Retail Price (MSRP).

- New vs. Remanufactured - When BMW offers both a new and remanufactured version of the same part, the remanufactured part **must** always be used first.
- Replacement part requirement - Only new or remanufactured Original BMW parts are to be used.
- All BMW 11-digit replacement part numbers, for repair order invoicing and claim submission, are listed in the Electronic Parts Catalog (ETK).
- The use of non-Original BMW Parts and products is strictly prohibited.

* Unless state law provides otherwise

Labor – reimbursed at your center's approved Warranty Labor Rate for the applicable repair times (Flat Rate Labor Operations and Flat Rate Unit allowances – FRUs).

Flat rate labor operations are located in the KSD2 "FR" or "Flat Rates" section.

Center Operations Manual

Warranty Guidelines

Claim Handling Charge

There is a \$50 handling charge per repair visit that results from a Certified Pre-Owned Limited Warranty claim. The handling charge is debited against the corresponding paid CPO claim. Please refrain from submitting a CPO claim for less than \$50.00. This will result in a net loss for your center. This debit is system generated and cannot be waived.

However, if the only repair on the claim involves parts ordered during a previous visit where a \$50 handling charge was collected, an appeal can be submitted with supporting documentation for review.

The handling charge is the responsibility of the customer and is not eligible for reimbursement through the BMW Self-Authorization (SA) Goodwill program. However, should a customer satisfaction issue arise; reimbursement of the handling charge can be discussed with the Aftersale Area Manager (AAM).

Vehicles with Active CPO Coverage

If the vehicle is in center inventory with Active CPO coverage, for covered components, the vehicle can be repaired and the claim submitted under the terms of the Certified Pre-Owned program.

Out of Warranty In-Stock Vehicles in Pending CPO Status

Repairs on out of warranty in stock vehicles that are currently in "Pending Status" (pending = enrolled in the CPO program but not yet retailed to a customer) are not covered and cannot be submitted under the CPO program.

It is the center's responsibility to perform all repairs that are required to bring the vehicle up to CPO standards before retailing it to the customer. These expenses are to be charged internally to your center.

Repair Order Signature and Line Item Authorization Requirements

For all repairs on in-stock CPO vehicles (Center-owned with either "Pending" or Active" CPO coverage), the following is required:

- Authorization for any repairs or maintenance services performed on in-stock vehicles must have each applicable line item approved and signed for on the repair order by the Service Director or Service Manager; and
- The Service Director or Service Manager must also sign the "Customer Signature" section or line of the repair order as an agent for the center.

Alternate Transportation

Available alternate transportation options are:

- The BMW Mobility Program; and
- BMW Roadside Assistance: This program's details and eligibility guidelines are listed in the Certified Pre-Owned Consumer Information Statement Protection Plan.

Center Operations Manual

Warranty Guidelines

CPO Warranty Coverage – Cross-Border Policy

U.S. CPO Vehicles in Canada or Mexico

U.S. Certified Pre-Owned coverage is not valid in Canada or Mexico.

Should a U.S. CPO vehicle, which is registered in the U.S., require repairs at an authorized BMW dealer outside the United States or Puerto Rico, the customer can request reimbursement assistance for the repairs through their authorized U.S. BMW center upon their return.

Canadian CPO Vehicles in the United States and Puerto Rico

Canadian Certified Pre-Owned BMW vehicles are not eligible for coverage in the United States and Puerto Rico.

Should a Canadian CPO vehicle require repairs at an authorized BMW center in the United States or Puerto Rico, the customer can request reimbursement assistance for the repairs through an authorized BMW dealer in Canada upon their return.

Center Operations Manual

Forms

Forms

TABLE OF CONTENTS

POIS Application	66
Cancellation Request	67
Center Participation Agreement	68
Vehicle Inspection Checklist	69a-d
Customer Disclosure Notice for Non-Conforming Run-Flat System Component	73
Dealership Disclosure Notice	74
BMW Group Disclosure Notice	75
Non-CPO Compliant Notification	76
Eight Steps to Certified Pre-Owned BMW Vehicle Program Compliance	77
Sample FTC Used Car Buyers Guide: CPO with remaining New Vehicle Warranty	78
CPO without remaining New Vehicle Warranty	79
Statement of Certification	80
CPO / Used Retail Back Out (RBO) Form	81
Previous - What's New Information	82

POIS Enrollment Application

THIS FORM IS TO BE SUBMITTED TO EITHER:

1. UPGRADE VIN TO CPO STATUS; (SAVE IN POIS AS "USED" BEFORE SUBMITTING)
OR
2. TO ENROLL VIN BLOCKED BY THE "180-DAY RDR RULE" –
 - a. Please review to determine if Retail Back Out (RBO) needs to be done. If so, forward RBO request to Retail Support Center. If RBO is not required and you wish to market this vehicle as CPO, please select Program Type CPO.
 - b. If you will represent as USED, please submit the POIS rejection notice with POIS Enrollment Application, please select Program Type USED. In either case, be sure to include documentation of the retail sale and subsequent trade-in.

Please scan as a pdf and E-Mail completed form to:
cpo.enrollments@bmwna.com (same mailbox for CPO or Used enrollment)

Center Name / Number	
Address	
City / State	
Requestor's Name	
Requestor's Title	
Requestor's E-Mail Address	
Full VIN (17 digits)	
Model Year	
Series / Model	
Exterior Color	
Interior Color	
Current Odometer Mileage	
Center Comments	
Program Type: Select CPO or USED	Please Enroll As: CPO / USED

CPO: DO NOT MARKET OR REPRESENT THE VEHICLE AS CPO UNTIL THE VEHICLE HISTORY INDICATES CPO STATUS AS "PENDING" FOR YOUR CENTER. PENDING = 1st time CPO vehicle

NOTE: Already ACTIVE or HYPERACTIVE will display accordingly and not revert to PENDING.

POIS Processing Group Comments:

CPO Cancellation Request

The Certified Pre-Owned BMW Vehicle Program

Vehicles to be cancelled from the Program

The first step in canceling a vehicle is to call BMW at (201) 307-3752. The next step requires that all the information outlined below be completed and the form scanned as a pdf to cpo.enrollments@bmwna.com.

Please remove the following vehicle(s) from the Certified Pre-Owned BMW Vehicle Program because it/they does/do not meet CPO standards.

Center Name:	
Center Code:	
VIN (last 7 digits)	Reason for cancellation - List deficiencies: (major body repair; inconsistent/incomplete maintenance; branded title; TMU; flood damage; modified; abused/neglected; salvaged; etc.)

Requester's signature confirms that:

- All Certified Pre-Owned BMW Vehicle Program point-of-sale materials and the Consumer Information Booklet have been removed from the vehicle(s).
- If misrepresentation pertaining to the Certified Pre-Owned BMW Vehicle and the above VIN(s) being canceled by this form should occur, all costs associated with remedying the matter will be borne by the requesting center.

Date:

Requester Name:

Requester Signature:

Center Participation Agreement for Authorized BMW Passenger Car and BMW SAV Centers Only

The Certified Pre-Owned BMW Vehicle Program

AGREEMENT by and between BMW OF NORTH AMERICA, LLC, a Delaware Limited Liability Company, having its principal place of business at Woodcliff Lake, New Jersey ("BMW NA") and _____
(# _____) <Corporate Name and Center Code> having its principal place of business at _____
_____ <Address> (hereinafter referred to as "Center").

BMW NA is the exclusive importer and distributor in the United States for Bayerische Motoren Werke AG ("BMW AG") of BMW passenger cars, BMW Sports Activity Vehicles ("SAV") and parts and accessories manufactured or sold by BMW AG and/or BMW NA and/or bearing BMW trademarks (hereinafter collectively referred to as the "BMW Products"). Center sells the BMW Products at the location noted above under the terms of a Center Agreement for passenger cars (or a successor agreement for passenger cars) or a SAV Center Agreement with BMW NA.

In order to enhance the Center's ability to sell pre-owned BMW vehicles, promote increased owner retention, and provide additional owner satisfaction, BMW NA has created The Certified Pre-Owned BMW Vehicle Program (hereinafter referred to as "Program") for eligible vehicles as defined in the Center Operations Manual. The Center's participation in the Program is conditioned upon its acceptance of the following terms and conditions:

Center agrees to adhere to the terms of the Program and to all policies, procedures and guidelines established and updated from time to time by BMW NA for the Program, including, but not limited to, the Center Operations Manual, Service Information Bulletins, and Sales and Marketing Bulletins. Center agrees to pay, as required, all charges for the Program, which includes the Certified Pre-Owned Protection Plan and any applicable surcharges.

Center shall fully disclose to the purchaser or lessee of any Certified Pre-Owned BMW passenger vehicle or BMW SAV all damage, repairs and prior repurchase / trade assist information in accordance with applicable law or BMW NA policies.

Center hereby indemnifies and holds BMW NA harmless from and against any and all claims arising from Center's breach of the Program and/or Center's failure to adhere to the policies, procedures, and guidelines established for the Program, including the failure to include the Protection Plan in the cost of the vehicle, and from any and all costs, attorney fees, expenses and liabilities related to any such claim or action or proceeding brought thereon.

BMW NA reserves the right to suspend or terminate the Program at any time, or suspend or terminate any Center's participation in the Program at any time for the Center's failure to adhere to the terms of the Program; Center's failure to adhere to the policies, procedures, and guidelines established for the Program, including the failure to include the Protection Plan in the cost of the vehicle; and/or the failure of the Center to comply with the terms of their respective Center agreements for passenger cars and light trucks with BMW NA. The Center's obligations to service vehicles covered by the Program shall continue despite BMW NA's termination of the Program or the Center's participation in the Program.

IN WITNESS WHEREOF, BMW NA and Center have executed this Agreement as of the date and year noted below.

BMW of North America, LLC

Name (printed)

Signature

Title

Date

Center for BMW Passenger Cars

Name (printed)

Signature

Title

Date

Center for BMW Sports Activity Vehicles

Name (printed)

Signature

Title

Date



Certified Pre-Owned
by BMW

11/2012

Vehicle Inspection Checklist

For complete details, please refer to the Inspection Guidelines
Section of the CPO BMW Vehicle Program Center Operations Manual

Enrollment & Vehicle History

STOCK NO. _____

DATE _____

CENTER NAME _____

CENTER NO. _____

CHASSIS NO. _____

MILEAGE _____

MODEL _____

MODEL YEAR _____

KEYS, MASTERS ☐ VALET ☐ WALLET ☐

Mileage is to be substantiated through attaching a copy of the Key Reader!

SOURCE: BMW FS OFF-LEASE ☐OTHER OFF-LEASE ☐TRADE-IN ☐AUCTION ☐OTHER ☐

SECTION 1: VEHICLE BACKGROUND & MAINTENANCE

CPO ENROLLMENT DATE: _____

If NOT enrolled as CPO (Pending or Active), STOP!

SERVICE ADVISOR NAME _____

EMPLOYEE # _____

REPAIR ORDER # _____

DATE OPENED _____

VEHICLE ORIGINAL IN-SERVICE DATE _____

Service Interval Indicator (SII)

CURRENT SERVICE INDICATOR DISPLAY: ☐ ☐ ☐ ☐ ☐ ☐ OR _____

(remaining miles)

Condition Based Service (CBS)

CBS printout REQUIRED!

Item	Service is due in:	Comments:	Item	Service is due in:	Comments:
Engine Oil	Date/Miles		Microfilter	Miles	
Front Brakes	Miles		Brake Fluid	Months	
Rear Brakes	Miles		Air Cleaner	Date/Miles	
Vehicle Check	Date/Miles		Coolant	Months (applicable models only)	

VEHICLE MAINTENANCE HISTORY

BMW NA DCS Service History printout REQUIRED!

Engine Oil Services:

YES Date of Service:

Brake Services:

YES

Date of Service:

- First Service ☐
- Next or Annual ☐
- Next or Annual ☐
- Next or Annual ☐
- M-Model 1200 mile Running-In Check ☐
- To specification - not to exceed 2400 miles ☐

- Front Pads ☐
- Rear Pads ☐
- Front Rotors ☐
- Rear Rotors ☐
- Fluid Flush ☐

Inspections (SIA Vehicles):

1 ☐2 ☐

Other:

- Coolant Flush ☐
- Belt(s) Replaced ☐
- Wipers/Inserts ☐
- Filters (Cabin/Engine) ☐

OPEN CAMPAIGNS? ☐ YES ☐ NONON-BMW PERFORMANCE MODIFICATIONS? ☐ YES ☐ NOHAS CARFAX OR AUTOCHECK REPORT BEEN RUN? ☐ YES ☐ NODoes CARFAX or AutoCheck report disqualify for CPO? ☐ YES ☐ NO

BODY REPAIR HISTORY: Repair Order(s): _____

Date _____

Center _____

Mileage _____

Comments - include any known damage/repairs: _____

INSTRUMENT CLUSTER:

Has the instrument cluster been replaced? ☐ YES ☐ NOIf YES, does the current cluster reflect the **TOTAL** and **TRUE** mileage? ☐ YES ☐ NO

Vehicles NOT qualified for enrollment or sale as CPO:

- Inconsistent or incomplete maintenance history
- Non-BMW performance modifications
- Disqualifying CARFAX or AutoCheck report

SECTION 2: WHEEL ASSEMBLY

TIRE INSPECTION

TIRE TREAD DEPTH (minimum 3 mm when measured from the TOP of wear indicators) & SIDEWALL INSPECTION:

Location	Pressure	Inside	Center	Outside	OEM*	Brand, Type, Size, Speed Rating, Tread, & Condition:
Left Front	psi	mm	mm	mm	<input type="checkbox"/> Y <input type="checkbox"/> N	
Left Rear	psi	mm	mm	mm	<input type="checkbox"/> Y <input type="checkbox"/> N	
Spare	psi	mm	mm	mm	<input type="checkbox"/> Y <input type="checkbox"/> N	
Right Rear	psi	mm	mm	mm	<input type="checkbox"/> Y <input type="checkbox"/> N	
Right Front	psi	mm	mm	mm	<input type="checkbox"/> Y <input type="checkbox"/> N	

IS M-MOBILITY KIT TO STANDARD? ☐ Y ☐ N

WHEEL INSPECTION

Location OEM* Style, Condition & Torque:

Left Front ☐ Y ☐ NLeft Rear ☐ Y ☐ NSpare ☐ Y ☐ N

Location:

OEM*

Style, Condition & Torque:

Right Rear ☐ Y ☐ NRight Front ☐ Y ☐ N

BRAKE INSPECTION

BRAKE PADS (minimum 5 mm of friction material) & ROTOR INSPECTION:

Location	Pad Measurement	OEM*	Rotor Condition	OEM*	Comments:
Left Front	mm	<input type="checkbox"/> Y <input type="checkbox"/> N		<input type="checkbox"/> Y <input type="checkbox"/> N	
Left Rear	mm	<input type="checkbox"/> Y <input type="checkbox"/> N		<input type="checkbox"/> Y <input type="checkbox"/> N	
Right Rear	mm	<input type="checkbox"/> Y <input type="checkbox"/> N		<input type="checkbox"/> Y <input type="checkbox"/> N	
Right Front	mm	<input type="checkbox"/> Y <input type="checkbox"/> N		<input type="checkbox"/> Y <input type="checkbox"/> N	

Replace mismatched and/or non-approved safety-related components with Original Equipment Manufacturer (OEM) BMW parts. Refer to the Certified Pre-Owned Center Operations Manual, Section 2 - Vehicle Inspection Guidelines & Standards.

VIN

Body & Mechanical

SECTION 3: BODY CONDITION, FIT & FINISH

AREA	Meets BMW Guidelines & Standards	Comments
Front bumper	<input type="checkbox"/>	
Park Distance Control	<input type="checkbox"/>	
Hood	<input type="checkbox"/>	
Core support	<input type="checkbox"/>	
Engine carrying rails	<input type="checkbox"/>	
Inner fenders	<input type="checkbox"/>	
Front fenders: left & right	<input type="checkbox"/>	
Doors: left/right, front/back	<input type="checkbox"/>	
A pillar: left/right	<input type="checkbox"/>	
B pillar: left/right	<input type="checkbox"/>	
C pillar: left/right	<input type="checkbox"/>	
D pillar: left/right	<input type="checkbox"/>	
Rockers/sill panels	<input type="checkbox"/>	
Roof	<input type="checkbox"/>	
Convertible top	<input type="checkbox"/>	
Sunroof	<input type="checkbox"/>	
Quarter panel: left/right	<input type="checkbox"/>	
Antenna	<input type="checkbox"/>	
Trunk lid	<input type="checkbox"/>	
Hatch (model dependent)	<input type="checkbox"/>	
Tailgate (model dependent)	<input type="checkbox"/>	
Rear license plate	<input type="checkbox"/>	
Rear taillight assemblies	OEM* <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Rear bumper	<input type="checkbox"/>	
Park Distance Control	<input type="checkbox"/>	
Spare wheel/well	<input type="checkbox"/>	
Rear floor pan	<input type="checkbox"/>	
Inner trunk panels	<input type="checkbox"/>	
Fuel-filler door	<input type="checkbox"/>	
Mirror assembly (2)	<input type="checkbox"/>	
Alignment of all panels	<input type="checkbox"/>	

AREA	Meets BMW Guidelines & Standards	Comments
GLASS AREA		
Windshield	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Door & side glass	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Rear window	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Exterior mirrors	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Interior mirror	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
INTERIOR		
Door weather seal	<input type="checkbox"/>	
Carpet/floor mats	<input type="checkbox"/>	
Wood/aluminum trim	<input type="checkbox"/>	
Cupholder(s)	<input type="checkbox"/>	
Interior light(s)	<input type="checkbox"/>	
Glovebox	<input type="checkbox"/>	
Seats	<input type="checkbox"/>	
Headliner	<input type="checkbox"/>	
Books	<input type="checkbox"/>	
Bluetooth Pass Key Card (E85 Z4 & E83 X3 models only)	<input type="checkbox"/>	
TRUNK		
Emergency release	<input type="checkbox"/>	
Tools	<input type="checkbox"/>	
Jack (model dependent)	<input type="checkbox"/>	
Cargo net (model dependent)	<input type="checkbox"/>	
Cargo cover (model dependent)	<input type="checkbox"/>	
Cargo mat (model dependent)	<input type="checkbox"/>	
KEYS		
Master	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/>	
Valet (model dependent)	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/>	
Wallet (model dependent)	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/>	
B PILLAR STICKERS:		
VIN ID	<input type="checkbox"/>	
Placard	<input type="checkbox"/>	

Replace mismatched and/or non-approved safety related components with Original Equipment Manufacturer (OEM) BMW parts. Refer to the Certified Pre-Owned Owner's Manual, Section 2, Vehicle Inspection Guidelines & Standards.

SECTION 4: MECHANICAL

AREA	Meets BMW Guidelines & Standards	Comments
Headlight assembly	OEM* <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Fog light assembly	OEM* <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Headlight washer jets (optional)	<input type="checkbox"/>	
Wiper blade, assembly & jets	<input type="checkbox"/>	
Door handle, hinge & lock	<input type="checkbox"/>	
Central locking functions	<input type="checkbox"/>	
Comfort Access	<input type="checkbox"/>	
Alarm functions	<input type="checkbox"/>	
Seat and headrest functions	<input type="checkbox"/>	
Seatbelt(s)	<input type="checkbox"/>	
Airbag(s)	<input type="checkbox"/>	
Airbags (Rear) Deactivated	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Child locking functions	<input type="checkbox"/>	
Fuel-filler door locking	<input type="checkbox"/>	
Trunk lock	<input type="checkbox"/>	
Rear wiper (optional)	<input type="checkbox"/>	
Gas shocks	<input type="checkbox"/>	
Suspension components	OEM* <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/>	
Front control arm bushings	<input type="checkbox"/>	
Steering	<input type="checkbox"/>	
Major component mounts	<input type="checkbox"/>	
Exhaust system	<input type="checkbox"/>	
Belts	<input type="checkbox"/>	
Belt tensioners	<input type="checkbox"/>	

AREA	Meets BMW Guidelines & Standards	Comments
Fluid levels:		
Oil	<input type="checkbox"/>	
Brake	<input type="checkbox"/>	
Power steering	<input type="checkbox"/>	
Windshield washer	<input type="checkbox"/>	
Transmission	<input type="checkbox"/>	
Rear axle	<input type="checkbox"/>	
Coolant	<input type="checkbox"/>	
Protection Level: -5F -10F -15F -20F -25F -30F -35F		
(circle one)	<input type="checkbox"/> SERVICE <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> GOOD	
Fluid leaks: (of components, lines, tanks & couplings)		
Transmission	<input type="checkbox"/>	
Transfer case	<input type="checkbox"/>	
Differential (front/rear)	<input type="checkbox"/>	
CV joints & boots	<input type="checkbox"/>	
Gas	<input type="checkbox"/>	
Engine oil	<input type="checkbox"/>	
Brake	<input type="checkbox"/>	
Power steering	<input type="checkbox"/>	
Shocks & struts	<input type="checkbox"/>	
Self-levelling (opt.)	<input type="checkbox"/>	
Coolant	<input type="checkbox"/>	
A/C	<input type="checkbox"/>	
Hydraulic	<input type="checkbox"/>	
Battery Voltage: 12.0 & Below 12.1 12.5 12.6 12.9		
(circle one)	<input type="checkbox"/> IMMEDIATE RECHARGE <input type="checkbox"/> FULLY CHARGED	
The minimum voltage for delivery of any Pre-Owned BMW to a customer is 12.60V		
Diagnostic fault review: Corrected <input type="checkbox"/> & Cleared <input type="checkbox"/>		

(Please continue on back)

2 of 4 12CPOCLST 11-13

Certified Pre-Owned
by BMW



Vehicle Inspection Checklist

VIN

Road Test

Minimum road test time period: 20 uninterrupted minutes
Minimum road test distance: 5 continuous miles!

SECTION 5: STATIONARY REVIEW

Mileage before:

Mileage after:

Mileage (BEFORE and AFTER) is to be substantiated through attaching a copy of the Key Reader!

	AREA	Meets BMW Guidelines & Standards	Comments:
Driver's Seat Functions	Seatbelt	<input type="checkbox"/>	
	Front/back - up/down	<input type="checkbox"/>	
	Headrest	<input type="checkbox"/>	
	Lumbar (where applicable)	<input type="checkbox"/>	
Mirror Functions	Outside left/right	<input type="checkbox"/>	
	Interior - Gentex	<input type="checkbox"/>	
Navigation System	Functional Test and Deliver with a working CD or DVD	<input type="checkbox"/>	
	Night vision with infrared	<input type="checkbox"/>	
Windshield	Rain sensor operation	<input type="checkbox"/>	
	Head-up display	<input type="checkbox"/>	
On-Board Computer	Functional test	<input type="checkbox"/>	
	Adjustable	<input type="checkbox"/>	
Steering Wheel	Airbag	<input type="checkbox"/>	
	Audio functions	<input type="checkbox"/>	
Stalk controls	Horn functions	<input type="checkbox"/>	
	Heat function	<input type="checkbox"/>	
Pedal Function	Shift Paddles	<input type="checkbox"/>	
	Wiper/washer	<input type="checkbox"/>	
Gearshift Function	High beams	<input type="checkbox"/>	
	Computer	<input type="checkbox"/>	
Parking Brake Function	Gas	<input type="checkbox"/>	
	Brake	<input type="checkbox"/>	
HVAC Control	Clutch (where applicable)	<input type="checkbox"/>	
	Heat: (circle one)		
Audio Function	A/C: (circle one)		
	Fan		
Speakers:	Temp range		
	Blower speeds		
Balance	Blower: Defrost		
	Center		
Fade	Lower		
	Vent controls		
Windshield defogger	Windshield defogger		
	Rear window defroster		
Recirculating	Recirculating		
	Radio:		
AM	AM		
	FM		
CD	CD		
	Aux Input		
Satellite Radio	Satellite Radio		
	Speakers:		
Balance	Balance		
	Fade		

VIN

Road Test

STATIONARY REVIEW (cont'd.)

	AREA	Meets BMW Guidelines & Standards	Comments:
Electrical	Vanity/visor	<input type="checkbox"/>	
	Map/interior	<input type="checkbox"/>	
	Headlights	<input type="checkbox"/>	
	Fog lights	<input type="checkbox"/>	
	Turn signals	<input type="checkbox"/>	
	Hazard flasher	<input type="checkbox"/>	
	Parking/side marker	<input type="checkbox"/>	
	Brake lights (3)	<input type="checkbox"/>	
	Back-up lights	<input type="checkbox"/>	
	License plate lights	<input type="checkbox"/>	
	Dash and console	<input type="checkbox"/>	
	Door lock	<input type="checkbox"/>	
	Seat heaters(s)	<input type="checkbox"/>	
	Power window(s)	<input type="checkbox"/>	
	Cigarette lighter(s)	<input type="checkbox"/>	
	Power sunroof	<input type="checkbox"/>	
	Rear sunshade	<input type="checkbox"/>	
	Door sunshades	<input type="checkbox"/>	

SECTION 6: ROLLING REVIEW

Checklist to be completed following testing cycle, not while driving the vehicle.

	AREA	Meets BMW Guidelines & Standards	Comments:
Engine Performance	Cold/hot starting	<input type="checkbox"/>	
	Idle smoothness	<input type="checkbox"/>	
Transmission Shifting	Acceleration	<input type="checkbox"/>	
	Manual/Automatic/SMG/M-DCT	<input type="checkbox"/>	
Cruise Control	Function(s)	<input type="checkbox"/>	
	Wind	<input type="checkbox"/>	
Noise	Squeaks	<input type="checkbox"/>	
	Rattles	<input type="checkbox"/>	
Vehicle Handling	Vibration	<input type="checkbox"/>	
	Stability	<input type="checkbox"/>	
	Braking	<input type="checkbox"/>	
	ABS	<input type="checkbox"/>	
	DSC	<input type="checkbox"/>	
	HDC (model dependent)	<input type="checkbox"/>	
Steering Wheel	Alignment	<input type="checkbox"/>	
Instrument Gauges	Operation	<input type="checkbox"/>	
Rear View Camera	Operation	<input type="checkbox"/>	
Side & Top View Camera	Operation	<input type="checkbox"/>	
Other:		<input type="checkbox"/>	

SECTION 7: APPROVAL

Technician's, Service Manager's, and Pre-Owned Manager's signatures certify that the vehicle has been carefully inspected and that apparent deficiencies have been corrected. This is a pre-owned vehicle; no claim is made, implied or otherwise, that this vehicle is in new condition.

TECHNICIAN NAME: _____	TECH NO.: _____	SIGNATURE: _____	DATE: _____
SERVICE MANAGER NAME: _____		SIGNATURE: _____	DATE: _____
PRE-OWNED MANAGER NAME: _____		SIGNATURE: _____	DATE: _____
CUSTOMER NAME: _____		SIGNATURE: _____	DATE: _____

Technician, Service Manager and Pre-Owned Manager signatures are all required.

(Template) SAMPLE: Non-Conforming
Run-flat System Component Customer
Disclosure Notice

* To be printed on Center stationary

{Today's Date MM/DD/YYYY}

{Customer Name}

{Address}

{City, State Zip-Code}

RE: Vehicle Identification Number: {17 Digits}

Dear {Mr./Mrs./Ms. Customer Name}

The purpose of this letter is to advise you that this vehicle will be delivered without the following original **BMW** Run-flat System Components:

- ☐ Run-flat Tires [five (5)] with full size spare
- ☐ Run-flat Wheels and Tires [five (5)] with full size spare
- ☐ Run-flat Tires [four (4)] with space-saver spare
- ☐ Run-flat Wheels and Tires [four (4)] with space-saver spare

Nonetheless, the fitted Original Equipment all-season tires on BMW wheels offer excellent performance conforming to the minimum tire and wheel standards of the BMW Certified Pre-Owned Program.

In the event you experience a flat tire, you should pull over to a safe location and replace it with the spare or contact Roadside Assistance. In addition, your vehicle is equipped with a tire pressure monitoring system (TPM). In the event the TPM warning illuminates due to a problem with a tire, please be sure to heed the warning and pull over to a safe location to check the condition of the tires.

Should you have any questions, please contact [name of your Center's Pre-Owned Manager] at (###) ###-####.

Sincerely,

{Name}, General Manager

{Center Name}

cc. Sales File: {Customer}
VIN {17 Digits}

Customer Acknowledgement

Customer Name: _____

Customer Signature: _____

Date: _____

(Template) SAMPLE: Damage
Disclosure Notice

Check your State Motor Vehicle Laws.
They may require additional information
to be disclosed.

*To be printed on Center stationary

{Today's Date MM/DD/YYYY}

{Customer's Name}

{Address}

{City, State Zip-Code}

RE: Vehicle Identification Number: {17 Digits}

Dear {Mr./Mrs./Ms. Customer Name}

The purpose of this letter is to advise you that this vehicle has had the following paint and/or body repairs performed while in our possession, or other important background information:

Body: _____

Paint: _____

Repurchase/Trade Assist: No ☐ Yes ☐

If Yes, provide description below and have customer also sign the specific "BMW Group Disclosure Notice" that came with this vehicle. _____

Other: _____

Based on our detailed inspection and subsequent reconditioning, this vehicle conforms to the stringent standards of the BMW Certified Pre-Owned Program.

Should you have any questions, please contact {Name of your Center Pre-Owned Manager} at (###) ###-####.

Sincerely,

{Name}, General Manager
{Center Name}
cc: Sales File {Customer}
VIN {17 Digits}

Customer Acknowledgement

Customer Name: _____

Customer Signature: _____

Date: _____

BMW Group**Disclosure Notice**

- ☐ This vehicle was damaged as described below, while in the care and custody of BMW NA, repaired and placed into BMW NA company service prior to sale to an authorized BMW NA center.
- ☐ This vehicle was damaged and repaired as described below, while in the care and custody of BMW NA and sold to an authorized BMW NA center.
- ☐ BMW NA participated in the reacquisition of this vehicle as a result of the customer complaint(s) listed below.
- ☐ BMW NA reacquired this vehicle due to the defect(s) listed below which was/were not repaired in a reasonable amount of time in accordance with the state Lemon Law and the title or vehicle has a Lemon Law brand.
- ☐ Other: _____

Model	Year	Odometer Reading	Vehicle Identification Number
0	0	0	0

Reported damage, concerns, or condition:

0

List specific repairs:

0

Date: 1/0/1900

Final RO: 0

Date on which all outstanding service campaigns and recalls were completed and verified:

1/0/1900

BMW NA Representative's Signature	Print Name and Title	Date:
Retailer Representative's Signature	Print Name and Title	Date:
Print Name and Address of Retailer		
Wholesaler Representative's Signature	Print Name and Title	Date:
Print Name and Address of Wholesaler		
Retail Customer's Signature	Print Name	Date:
Print Address of Retail Customer		

RETAILER OR WHOLESALE AGREE TO DISCLOSE THE INFORMATION CONTAINED HEREIN TO THE ULTIMATE RETAIL CUSTOMER. BY SIGNING THIS DOCUMENT, CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ AND UNDERSTANDS THE INFORMATION CONTAINED HEREIN.

(Last Updated: 03/27/2006)

Non-CPO Compliant Notification

The Certified Pre-Owned BMW Vehicle Program

Vehicle Not Qualified For the BMW CPO Program

The first step in flagging a vehicle is to call BMW at (201) 307-3752. The next step requires that all the information outlined below be completed and the form scanned as a pdf to cpo.enrollments@bmwna.com.

Please flag the following vehicle(s) preventing enrollment and sale under the terms and conditions of the Certified Pre-Owned BMW Vehicle Program because it/they does/do not meet CPO standards.

Center Name:	
Center Code:	
VIN (last 7 digits)	List deficiencies (major body repair; inconsistent/incomplete maintenance; branded title; TMU; flood damage; modified; abused/neglected; salvaged; etc.)

Requester's signature confirms that:

- Vehicle(s) have been removed from CPO status in POIS.
- If misrepresentation pertaining to the VIN(s) being flagged by this form occur, all costs associated with remedying the matter will be borne by the requesting center.

Date:

Requester Name:

Requester Signature:

Eight Steps to Certified Pre-Owned BMW Vehicle Program Compliance

Center: _____

VIN: _____

Stock No.: _____

Actions	Person/Date
1.	
Run and print out a Key Read to confirm the mileage.	____/____
Run a CARFAX or Experian AutoCheck Vehicle History Report to ensure the vehicle meets CPO enrollment standards.	____/____
Enter the vehicle into the BMW Pre-Owned Inventory System (POIS) by using DCSnet.	____/____
2.	
Confirm CPO entry by reviewing your Pre-Owned Inventory availability on DCSnet. The Pre-Owned Type should be CPO 72 MO/100K for all Pending and Active vehicles. If you have questions concerning CPO eligibility, call BMW NA at (201) 307-3752 or send your question via a scanned pdf to: cpo.enrollments@bmwna.com	____/____
3.	
Run and printout a DCSnet Warranty Vehicle Inquiry to check for open campaigns, service actions, damage disclosures, and verification of enrollment status. If pending status is not indicated, stop processing the vehicle and contact your Sales management immediately.	____/____
Run and print out a Key Read to confirm the mileage and determine Maintenance items that are "due," "recommended," and "overdue," based on the model-dependent Condition Based Services (CBS) or Service Interval Indicator (SIA). Note that an "overdue" reading should prompt you to determine whether or not the vehicle meets CPO guidelines for Maintenance. Run and print out a second Key Read after the road test to document the accumulated road test mileage.	____/____
Open a Repair Order with the very first, separate line item that denotes "BMW Certification Inspection."	____/____
Inspect vehicle using CPO Vehicle Inspection Checklist. (Refer to the Inspection Guidelines section of the Center Operations Manual for complete details.)	____/____
Fill out CPO Vehicle Inspection Checklist completely <u>prior</u> to performing any reconditioning or repairs.	____/____
4.	
Open a separate line item on your Repair Order for each deficiency noted on the CPO Inspection Checklist. Note: CPO Program requires BMW trained Technician to document the actual CPO inspection time with the approved time control.	____/____
Recondition the vehicle by repairing each line item according to BMW approved repair standards utilizing BMW parts for all OEM required component repairs or replacements.	____/____
Attach all supporting reports such as: • Key Reader Data print outs • DCSnet Warranty Vehicle Inquiry • CARFAX or Experian AutoCheck Vehicle History Report • Sublet repair order(s) and invoice(s)	____/____
Review, approve, sign and date the CPO Inspection Checklist; Signatures and date required by inspecting BMW Technician, center Service Manager and center Pre-Owned Sales Manager.	____/____
File the CPO Inspection Checklist with the Repair Order and supporting reports.	____/____
Fill out, stamp, sign, and give The Statement of Certification to the Sales Department for presentation to the final retail customer.	____/____
< After this step, Certification is complete >	
5.	
Price the CPO vehicle on the Internet.	____/____
Run a CPO Monroney label.	____/____
Prepare the Federal Buyer's Guide (See Section 8, Pg. 15 of <i>Center Operations Guide</i> for details concerning Monroney and Web pricing.)	____/____
6.	
Apply all point-of-sale CPO Merchandising items. <input type="checkbox"/> CPO Monroney <input type="checkbox"/> CPO License Plate <input type="checkbox"/> CPO Static Cling Labels <input type="checkbox"/> Federal Buyers Guide Label	____/____
Position the CPO vehicle for sale	____/____
7.	
Prepare and present the following items to the customer at delivery: <input type="checkbox"/> Clean Vehicle Exterior <input type="checkbox"/> Clean Vehicle Interior <input type="checkbox"/> CARFAX or Experian AutoCheck Vehicle History Report <input type="checkbox"/> Statement of Certification <input type="checkbox"/> Keys (at least two masters) <input type="checkbox"/> Owner's Manual <input type="checkbox"/> Service and Warranty Information Booklet <input type="checkbox"/> Copy of CPO Inspection Checklist (Calif. customers mandatory) <input type="checkbox"/> All applicable Disclosures (Forms pgs 74-76)	____/____
8.	
Record and transmit retail sale to BMW via DCSnet to activate the CPO BMW Protection Plan	____/____

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE _____ MODEL _____ YEAR _____ VIN NUMBER _____

DEALER STOCK NUMBER (Optional) _____

WARRANTIES FOR THIS VEHICLE:

☐ **AS IS - NO WARRANTY**

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

☒ **WARRANTY**

☐ FULL ☒ **LIMITED WARRANTY.** The dealer will pay 0% of the labor and 0% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations.

Under state law, "implied warranties" may give you even more rights. *

SYSTEMS COVERED: *

DURATION: *

* **MANUFACTURER'S WARRANTY STILL APPLIES.** The manufacturer's original warranty and CPO warranty have not expired on this vehicle. Consult the manufacturer's warranty and CPO Protection Plan booklet(s) for details as to warranty coverage, service location, etc.

☐ **SERVICE CONTRACT.** A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

PRE PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.

SEE THE BACK OF THIS FORM for important additional information, including a list of some major defects that may occur in used motor vehicles.

The above language is recommended for use in the sale of a new vehicle. It is not intended to be used in the sale of a used vehicle. It is not intended to be used in the sale of a vehicle that is being sold as a "used" vehicle. It is not intended to be used in the sale of a vehicle that is being sold as a "used" vehicle.

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE _____ Model _____ YEAR _____ VIN NUMBER _____

DEALER STOCK NUMBER (Optional) _____

WARRANTIES FOR THIS VEHICLE:

☐ **AS IS - NO WARRANTY**

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

☒ **WARRANTY**

☐ **FULL** ☒ **LIMITED WARRANTY.** The dealer will pay 0% of the labor and 0% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations. Under state law, "implied warranties" may give you even more rights. *

SYSTEMS COVERED: *

DURATION: *

* **MANUFACTURER'S WARRANTY STILL APPLIES.** The manufacturer's CPO warranty has not expired on this vehicle. Consult the manufacturer's CPO Protection Plan booklet for details as to warranty coverage, service location, etc.

☐ **SERVICE CONTRACT.** A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

PRE PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.

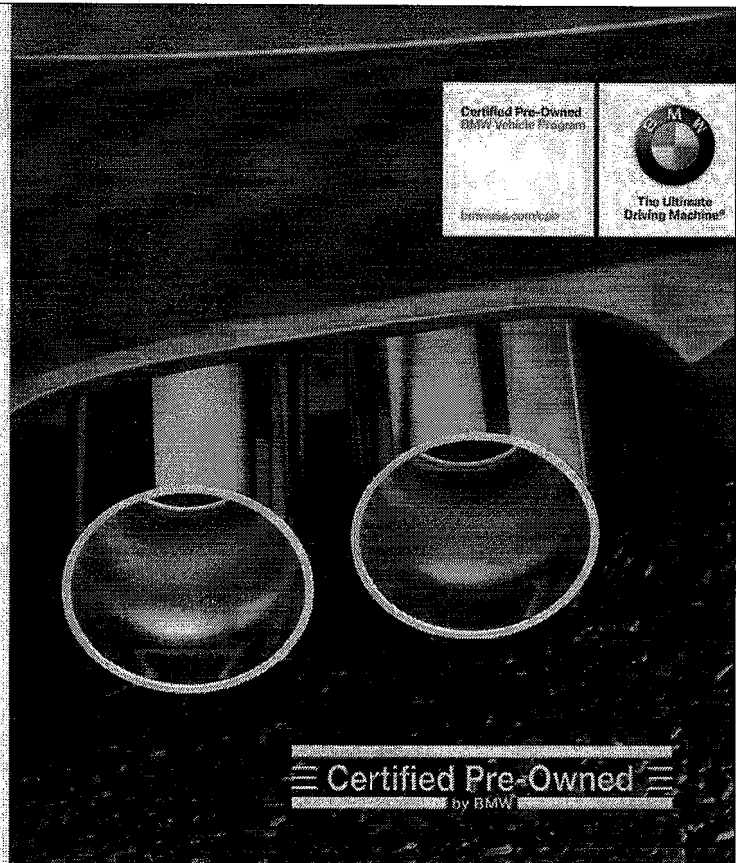
SEE THE BACK OF THIS FORM for important additional information, including a list of some major defects that may occur in used motor vehicles.

The above language is provided for use in New York's CPO program. It is not intended to be used in other states. The CPO program is subject to change without notice. The CPO program is subject to the requirements of the Used Car Buyer's Guide.

STATEMENT OF CERTIFICATION

This statement confirms that the BMW vehicle indicated below has been selected, inspected and prepared as a Certified Pre-Owned BMW.

Issue Date: Month	Day	Year
BMW Vehicle Identification Number (VIN)		
BMW Center Name		
Dealer Signature		
Dealer Stamp Here		



Certified Pre-Owned BMW Vehicle Program

This vehicle has completed a rigorous certification process addressing:

- Scheduled maintenance
- Airbag (SRS) and safety belt evaluation
- Tire and brake inspection
- Electrical component review
- Road testing
- Review of service history
- Body and paint evaluation
- Mechanical operation
- Undercarriage inspection
- CARFAX® Vehicle History Report™

By the signature and stamp on this statement, this BMW center certifies that:

- This vehicle has been properly enrolled in the Certified Pre-Owned BMW vehicle program
- This vehicle has been carefully inspected and all apparent deficiencies have been corrected

Please note, however, that this is a **pre-owned** vehicle, and no claim is made, implied or otherwise, that this vehicle is in new condition.

Important Consumer Information: Upon the sale of a properly enrolled Certified Pre-Owned BMW vehicle, your BMW center will register the sale of this vehicle, thereby notifying BMW of North America, LLC, to activate the Certified Pre-Owned BMW Protection Plan. Within 30 days, you should receive a letter from BMW of North America, LLC, and an Owner's Roadside Assistance card and Customer Information Statement as confirmation that the vehicle has been properly registered in the Certified Pre-Owned BMW vehicle program. If you do not receive this confirmation within 30 days of purchase, please contact the Sales Department at your BMW center or call BMW Customer Care at 1-800-831-1117.

The Certified Pre-Owned BMW Limited Warranty provides coverage for up to 2 years or 50,000 miles (whichever comes first) from the date of the expiration of the 4-year/50,000-mile (whichever comes first) BMW New Vehicle Limited Warranty. BMW Certified Pre-Owned Protection Plan is valid only in the United States and Puerto Rico. The coverage is not valid in Canada. The limited warranty coverage is transferable. See your BMW center for complete details.

© 2010 BMW of North America, LLC. Not to be reproduced wholly or in part without written permission of BMW of North America, LLC. The BMW name, logo, model names and SAV are registered trademarks.

10CPOSTC011



This BMW statement is printed on recycled paper that contains a minimum of 10% post consumer (PCW) fiber. This recycled paper is made from fiber sourced from well-managed forests and other controlled wood sources and is independently certified by SmartWood, a program of the Rainforest Alliance, to the Forest Stewardship Council (FSC) standards.

FSC is an independent nonprofit organization devoted to encouraging the responsible management of the world's forests. FSC sets high standards to ensure that forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way.

CPO / USED BMW RETAIL BACKOUT REQUEST FORM	
Center Requesting Backout: _____	Code: _____
Last 7 digits of VIN: _____	
Retail Customer Name: _____	
Address: _____	
City/State & Zip: _____	
Reason for Backout: _____	
Reason for Backout: Reported as CPO, but sale unwound? <input type="checkbox"/> YES <input type="checkbox"/> NO	
If YES, has the CPO Welcome Kit been returned to BMW NA? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Reported as USED, but sold as CPO? <input type="checkbox"/> YES <input type="checkbox"/> NO	
A copy of the CPO Inspection Checklist, the Accounting copy of the CPO Repair Order and two (2) key readings to confirm the required road test are to accompany this request.	
OTHER: _____	
Please Note: If the center has made multiple "USED" retail entries for the same SALE in an effort to correct a previous entry, ALL incorrect entries must be backed out.	
Multiple entries to be backed out? <input type="checkbox"/> YES <input type="checkbox"/> NO	
If YES, how many? 2 3 4 5 6 7 8 9 10 Other _____	
AUTHORIZED I have reviewed this Retail Backout Request and confirm it to be true and accurate.	
Dealership Authorization Name: _____	
Signature: _____	
Phone Number: _____	Date: _____
BMW NA RSC Authorization: (please print) _____ Date: _____	
Signature: _____	

CPO/Used BMW Retail Backout
Date Revis: 11/2012

What's New – 2012

CPO Upgrade Application – replaced by POIS Application; Bulletin V8-0611-14 Date: 6/22/11 p. 67

CPO Procedure for Vehicles with ESC/EVP – Bulletin: V8-0811-24 Date: 8/18/11

CPO Vehicle Inspection Checklist Updated with Current Form; Revision Date: 11/2012 p. 70-73

CPO Reconditioning Examiner Findings – 2nd Update Bulletin: V8-1111-30 Date: 11/3/11

SIRIUS XM Complimentary 3-Month Subscription Update Bulletin: V8-0112-04 Date: 1/4/12

Diagnostic printouts – No longer required to be attached to checklist

BMW Assist – ESA for Pre-Owned simplified; Bulletin B8-0512-21 Date: 5/18/12

Maintenance requirements Condition Based Service (CBS) vs. Service Level Indicator (SIA):
Simplified to 1 Table for older technology SIA vehicles ONLY; CBS vehicle requirements driven by key read /
ISPA Light data, i.e., driving profile. PuMA cases no longer come into play. p. 28-30

Alternative for Vehicle History Report Requirement: Experian AutoCheck or CARFAX VHR: Bulletin B8-0812-33
Date: 8/28/12

Warranty Guidelines - Section Update p. 54

Center shuttles, eligible for CPO

CPO/Used Retail Back Out Form Request - Added to Forms p. 82

Marketing Central Launched; Bulletin B33-1012-009; for CPO Photography, Print, OOH, Digital Banners &
Shorts, TV, Radio, IDC and Website Assets Date: 10/1/12

BMW Assist ESA Exception Report - Pre-Owned vehicles added; Bulletin B8-1012-37 Date: 10/5/12

BMW CPO Enrollment Fee Update; Bulletin B8-1112-42 Date: 11/9/12

Certified Pre-Owned

bmwusa.com/cpo



The Ultimate
Driving Machine®

Learn more about CPO at

bmwusa.com/cpo

or call us at 1-800-333-2269



Certified Pre-Owned

© 2015 BMW of North America, LLC. All rights reserved. BMW, the BMW logo, and the Ultimate Driving Machine are trademarks of BMW of North America, LLC. BMW Financial Services is a registered trademark of BMW Financial Services, LLC. All other trademarks are the property of their respective owners.